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1985 MEN'S STORE OPERATING EXPERIENCES

MRA Annual Business Survey

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National Clothier Corporation Made Annual Business Survey Report Possible.

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National Clothier Corporation's underwriting of the Annual Business Survey is an extension of its programs for providing men's wear merchants with services and supplies essential to their business development.

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TERMS AND DEFINITIONS

COMMUNICATIONS: Includes all expenses for local and long distance telephone service, telegrams, telephone and other communication equipment rentals and all postage expenses.

CURRENT LIABILITIES: Total of all debts falling due within one year.

EQUIPMENT COSTS: Include the lease or rental of all equipment, fixtures, delivery vehicles, company automobiles, etc. and outside repair and maintenance contracts applicable to the leased or rented equipment as well as buildings and property.

GEOGRAPHIC AREAS: Based on United States Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis, and Kansas City Districts; the Southwest, the Dallas District; and the West, the San Francisco District. A map detailing these areas is found on page 57.

INCOME FROM LEASED DEPARTMENTS: Commissions paid to the firm by the operators of the leased departments.

INITIAL MARKUP PERCENT: The difference between the original retail price and the cost of goods purchased, divided by original retail price. Include transportation charges in cost of purchases, but do not subtract cash discounts. For example, cost of a typical purchase may have been $600 and original retail price $1,200, resulting in an initial markup of $600, or 50% of retail price.

Markdowns at retail are markdowns net of markdown cancellations.

MEDIAN FIGURE: The mid-point of a range of figures with one-half of the firms reporting figures above it and one-half below it.

METROPOLITAN SIZE: The population immediately surrounding the area in which a business is located. This can be a community, town, or city population.

NET OTHER INCOME AND EXPENSE: Items which are financial, rather than operating in nature. Items include carrying charges from customers' charge accounts, interest income, net income or expense realized from properties not used in the business, gain or loss on the sale of fixed assets, and interest expenses. Income from leased departments is not included.

NET PURCHASES AT COST: Gross purchases at cost plus transportation charges inward minus returns to and allowances from vendors. Do not subtract cash discounts earned.

NET WORKING CAPITAL: Excess of current assets over current liabilities.

NET WORKROOM COSTS: Workroom costs minus income from alterations.

NET WORTH: In both incorporated and unincorporated firms equals total assets minus total liabilities. (In partnerships include partner's loans as liabilities.)

NON-SELLING AREA: Includes workroom area, forward and reserve stockrooms which are not used for selling purposes and those aisles not considered as selling area, such as area surrounding stairway, elevators, and/or escalators.

OPERATING PROFIT: Gross margin, including leased department income, minus expenses.

PAYROLL: Payroll of owners and officers is the amount actually paid to them. Selling payroll includes commissions and "spiffs." Non-selling payroll does not include workroom payroll.

PENSIONS: Payments to retired employees or contributions to pension or profit-sharing plans.

PUBLICITY COST: Expenses incurred for all advertising of the firm including radio, television, and newspaper advertising, special promotion material, store catalogs and other expenses attributable to the creation of publicity.

RANGE OF COMMON EXPERIENCE: The experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest.

SELLING AREA: Is the total space occupied by selling departments, fitting rooms, forward stock areas which are contiguous to the department, salesmen and customer aisles, and bargain table space. Only selling space normally assigned to departments and utilized throughout the year is used in this calculation.

SERVICES PURCHASED: Consists exclusively of nonprofessional services rendered by outsiders such as cleaning, delivery, detective and alarm services, collection services by agencies and attorneys, data processing service bureaus, and credit card fees.

INVENTORY TURNOVER: Is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

SUPPLIES: Wrapping and packing supplies, cleaning supplies, stationery, electric and gas utilities, etc.; supplies used for employee welfare and employee gifts.

TOTAL NET SALES: Total of all net sales, including sales of leased department.

HOW TO USE THIS REPORT

MEDIAN FIGURE		
LOWER 25% OF REPORTED FIGURES	MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE	UPPER 25% OF REPORTED FIGURES

Enter your figures in the columns headed "Your Firm". Compare your firm's performance with the range of common experience and with the median firm. The range of common experience shows the experience of the middle 50 percent of all responding firms when figures for a given item are arranged in numeric order from the lowest to the highest. The "Median Firm" figure represents the mid-point of the figures with one-half of the firms reporting figures above it and one-half below. Since each firm's operating experience is different, some of your figures may be out of line for perfectly valid reasons. Therefore, study your particular situation as to whether the reasons for such out-of-line figures are justified.

IMPORTANT ADVISORY NOTE

The information presented in this report is based on the results of a mail survey in which the reporting stores voluntarily participated. Thus, the sample may not necessarily reflect the entire industry.

Throughout this report the median firm's figures are reported rather than the *arithmetical average or mean*. Note particularly that with median figures, the component figures of an item may not necessarily add up to 100 percent. To avoid misinterpretation, it is important to realize that each of the medians in this Survey was independently selected from its own array of figures. Because of this variation in sampling, normally accepted mathematical relationships among related data do not always exist with respect to the medians. For example, the median gross margin percent minus the median total operating expenses percent does not necessarily equal the median operating profit percent.

IMPORTANT! The median figures presented throughout this report MAY NOT represent the operating figures and results you should strive for. You must establish their importance. When the report shows a median payroll of 20.8 percent of net sales for Group I volume firms, a lower payroll percentage would be better. Conversely, a higher gross margin would be better than the median figures reported for all groups. A special section of the report details for you the stellar performances in the men's wear retailing industry. Use these to help set the goals for your business.

MAKING THE MOST OF THE ANNUAL BUSINESS SURVEY

by

Gerald H. Smith—Retail Management Consultant

The Annual Business Survey is a valuable tool to be used in comparing your store's merchandising and operating results with those of others in the industry. It can serve as a guide to show where improvements can be made in your operation to increase profitability. In today's competitive retail climate, with major department stores, discounters and manufacturers' outlets carrying the same brands as the specialty store, it is imperative that you have current statistics on operations and merchandising to help guide you in obtaining the results needed to maintain a strong, viable business. The Annual Business Survey provides this information. It gives important data on the industry as a whole, and then goes a step further by giving the same information by firm volume, geographic area, and metropolitan population size. Thus, you can compare your performance with other stores similar to your operation.

Pages 8 and 9 give the total number of retailers who took the time to fill out and return the questionnaire along with a breakdown of these participants by area, volume, metropolitan size, number of retail outlets, and type of ownership. The first three of these are the most important as these categories are used throughout the Annual Business Survey. Use these percentages to determine where you can most heavily rely on the figures presented. As with any survey, the more firms represented, the better and more dependable the analysis.

"Highlights of the Report" gives a summary of the major findings covered in the report. On this page comparisons are made to last year for the following: net profit, advertising expenditures, sales per square foot, stock turn rate, total expenses, alteration costs, shrinkage, and initial markup. This lets us know how we did, where we made improvements, and where we still need to improve.

The "Merchandise Trends Five-Year Report" covers three major men's wear categories: clothing, sportswear, and furnishings. The initial markup percentage report shows changes in the initial markup for each of the three categories over the past five years. Here we can see a very slow but steady yearly increase in all categories. The markdown percentage report tracks increases and decreases in markdowns for this same period. Retailers today are more conscious of the relationship between initial markup percent, the markdown percent, and gross margin, and realize that by increasing initial markup you can also increase price promotions without decreasing gross margin. For example, an initial markup of 50% with markdowns of 10% will produce a 45% gross margin. However, by increasing the initial markup to 55%, a retailer is able to increase his markdowns to 20% and still enjoy a 46% gross margin.

"Ten Year Trends" graphically depicts experiences in the following areas: Gross Margin Percent, Net Profit Percent, Total Expenses as a Percent of Net Sales, and the Percent of Annual Sales Increases. From the data on this page we can see that profits are static and total expenses remain high. Gross Margin has been slowly improving, though not enough to keep up with the increase in expenses. Retailers must exercise discipline in both of these areas if they are to remain in business. There is no way around it. While retailers are also finding it difficult to increase their share of the market, this year showed the most significant increase in five years. The trends shown are industry-wide. Hopefully, yours are better. As we look further in the Survey you will be able to see specific areas where improvements can be made.

Ten Key Business Ratios are listed and defined on page 12 of the Survey. These are used extensively by your banker, resources, or factors to measure your debt-paying ability. Some are also useful to management, in particular, Net Profits On Net Sales, Net Profits On Net Worth, Net Sales To Net Worth, Current Assets To Current Liabilities, and Total Liabilities On Net Worth. In my practice I use these ratios plus sales per square foot (total sales divided by total store square footage used), stock turn rate, return on assets (net profit before taxes divided by total net assets), operating expense ratio (operating expenses divided by net sales), gross margin ratio (gross margin divided by net sales), class cumulative gross margin percent (gross margin ratio times stock turn rate for each classification), and annual sales growth rate. I feel these are the 12 most significant ratios for measuring the effectiveness of a retailer.

You will see here and throughout the book that there is space provided to enter your company's figures. You should enter your own data in order to compare your company's performance to others in the industry. A word of caution: If you intend to use the data in the Survey as a guide to establishing goals for your company, I suggest you use the upper range of common experience as the minimum goal. Do not aim for mediocrity.

Data on the Star Performers is listed on pages 16 and 17 of the Survey. The retailers are in the top 25% of participants, based on net profits. These star performance figures can be most helpful in establishing objective and critical goals and criteria for your store's performance. To put your store in this category requires a two-pronged approach.

First, decide who you are and what you want to offer your customers and offer it with excellence. If it is an in-house charge account program, have the best. If you offer alterations, offer the very best, and that includes training and modern equipment. If you offer personalized professional sales service, hire and pay for the best. You cannot hire qualified salespeople for minimum wage, and you cannot keep professional salespeople

without an adequate compensation plan tied to their performance.

Second, keep adequate control over all aspects of your business. This does not necessarily mean that less is best. It does mean the right amount is best—the right amount of advertising, the right amount of inventory, the right number of sales associates. The detailed data presented in the Survey should be used to give you ideas for changes or improvements which you can make to enhance your company's performance.

Since payroll is the largest operating expense of a retail firm, the Annual Business Survey devotes several pages to employee productivity. The Survey gives information by volume of sales on the number of employees and what they do in stores. Productivity figures are given for total store employees in three areas: sales per employee, gross margin per employee, and profit per employee.

The most important information given on employee productivity is the data on salespeople. The average sales and average pay per salesperson are very revealing. Neither of these is adequate. The level of sales being generated by salespeople is not sufficient to achieve the levels of growth and profit which are necessary to survive and prosper in today's retail environment. This is reflected in the "Ten Year Trends" discussed earlier. It has been my experience that proper personnel management in men's wear stores is even more important than inventory management in its potential for profit. In this case, as before, you should be comparing your salespersons' productivity to the top range of common experience. If the comparison is not favorable, steps need to be taken now to increase motivation through better training, sales contests—whatever it takes in your particular situation. The compensation level for salespeople is also inadequate. This causes high turnover as our good salespeople leave for better paying jobs elsewhere. This problem can be relieved by offering a compensation package tied to the salesperson's level of sales.

Page 23, showing the profit performance for all firms, paints a bleak picture. Look at the number of firms showing a loss. This gets back to earlier statements about control—control of merchandise to achieve an adequate gross margin and control of expenses.

The Profit & Merchandising Information on pages 23 and 24 highlights changes in merchandising data for each of the three major categories in comparison to last year. The average initial markup percentage of major merchandise category shows the experience of other retailers. By looking at the upper range of common experience you can see that higher initial markups are being achieved. To achieve these higher initial markups requires the discipline of a merchandising budget or Open-To-Buy, which affords the retailer the ability to plan his purchases so funds will be available to take advantage of special buys and in-season promotions.

Page 25 offers an insight on total shrinkage and gives the distribution of the shrinkage among the various departments within the store. The leased department sales information is helpful in showing the type of sales performance you can expect.

An overall view of Merchandising and Productivity data for all firms is given on page 26. This same information is given by firm volume, metropolitan trading area, and geographic area on pages 41, 46, 49, and 53. Of particular interest is the data on annual sales growth rate, sales per square foot, and stock turn rate. These are three of the ratios mentioned earlier as being most significant in evaluating a firm's performance.

The "Percentage Increase or (Decrease) in Sales by Merchandise Classification" tracks the annual growth rate of each classification. This can be useful to retailers trying to expand their sales as it shows the gains being made by other stores in each classification.

Detailed stock turn rate information is given in the "Inventory Turnover by Merchandise Classification" chart. It is my opinion that men's wear stores have a poorer performance in this area than in any other area of their operations. With the carrying cost of excess inventory exceeding 30 percent, retailers cannot afford to be over-inventoried. Also, by keeping inventories at a lower level, the retailer is able to keep a steady supply of fresh merchandise flowing into the store and also avail himself of opportunities for in-season buying.

Page 27 shows how other retailers' sales are distributed among the classifications. This can be used as a guide to increase sales opportunities in a particular class. Of course, your sales distribution will depend on your target customer and your area of the country. For example, classifications such as jackets and heavy outerwear will show a higher percentage of total sales in northern firms.

The "Percentage Distribution of Average Inventory Within Major Departments by Merchandise Classification" and the companion "Percentage Distribution of Sales by Merchandise Classification" show the relationship of sales to inventory and clearly illustrate that a higher level of inventory does not necessarily give you more sales. Enter your figures here and compare them.

The "Markdowns as a Percentage of Merchandise Classification Sales" shows the amount of markdowns other retailers are taking for each particular class. If yours exceed or are considerably below the norm, ask yourself why. Remember, higher markdowns can be easily afforded if the trade-off is higher markons and turnover. Lower is not necessarily better.

Pages 35 and 38 give information on how retailers spend their advertising dollars. Page 35 shows a breakdown of advertising expenditures by media types. There is a wide variance in the range of common experience since localities vary so widely in the effectiveness of different media. Page 38 breaks down total advertising expenditures on a monthly basis. It shows what percentage of the total advertising dollar is spent for each month and how it relates to the total sales distribution.

The Composite Operating Statement for all firms on pages 36-37 is very helpful. This information is repeated by firm volume on pages 40 and 45, by metropolitan

population size on pages 50-51, and by geographic area on pages 54-55. By looking at the upper range of common experience you can see that some retailers are achieving a good gross margin percentage of 45% and more. The retailers achieving this level of gross margin are likely the ones using the Retail Inventory Method and following an Open-To-Buy. Without this discipline it is difficult, if not impossible, to achieve higher levels of gross margin.

The Retail Inventory Method gives valuable information on initial markup and markdown percentages by classification, enabling you to not only know that your gross profit is too low but help you see why it is too low. This initial markup could be insufficient or the markdowns or shrinkage too high. The stock ledger gives you this and other valuable management informtion.

A well-executed and followed Open-To-Buy can also enable you to achieve higher gross profit by planning purchases so you are able to take advantage of promotional buying opportunities. Also, an Open-To-Buy will help in keeping inventory levels down so excess markdowns to clear out old stock can be avoided

Fill in your company's expense figures and see how yours compare. Use this to help spot areas where expenses are out of line. For example, if other retailers are able to keep the expense for supplies at 3 percent of sales and yours is at 4½ percent, find out why and take the necessary steps to correct it.

Performance ratios based on square footage are given on pages 42 and 47, first by selling area, then by total area. This emphasizes how valuable a square foot of area must be considered, especially with today's rent and occupancy costs. The key to better performance is increased sales per square foot. This is further shown on pages 48 and 52 where sales per square foot data is given by metropolitan size and by geographic area. As stated earlier, the two most critical ratios in measuring the success or failure of a retail apparel specialty store are sales per square foot and stock turn rate.

On the last page of the survey is the 4-5-4 retail accounting calendar which I recommend to all retail apparel stores. It eliminates year-to-year fluctuation in monthly sales due to the different number or assortment of selling days per month, which is helpful in planning sales, inventory, payroll, and advertising expenditures.

If you did not participate in the Annual Business Survey this year I hope you will make every effort to do so next year. The more participants we have, the more valuable the Survey will be.

1985 HIGHLIGHTS OF THE REPORT

- After a steady four-year performance of a median 2.7 percent of sales, net profits before taxes slipped to 2.2 percent of sales, the lowest in 10 years. Firms handling men's wear only reported net profits before taxes of 2.5 percent of sales, compared with 2.9 percent in 1984. Firms handling women's wear, for the second year in a row, fell below the all firms median with a median net profit before taxes of 1.9 percent, compared with 2.6 percent of sales in 1984.

- The percentage of men's wear firms showing losses (p.23) jumped back up to 21 percent of responding firms in 1985 after decreasing to 16 percent of responding firms in 1984, nearing the 21.6 percent level of 1982.

- Net sales in 1985 (p.26) gained only 2.2 percent over 1984 levels, following a 3.3 percent increase in 1984 over the previous year, and only half the 4.4 percent increase shown in 1983. Advertising expenditures (p.36) continued to creep upward, moving to 3.4 percent of net sales in 1985, compared with 3.1 percent of net sales in 1984.

- Total expenses as a percent of sales (p.37) reached a ten-year high at 42 percent of sales in 1985, compared with 40.2 percent in 1984. Gross margin (p.36) continued to increase in 1985, moving up fractionally to 44.4 percent in 1985 from the 1984 performance of 44 percent.

- Ending inventory as a percent of sales (p.26) declined to 25.6 percent of sales in 1985 after moving up to a ten-year high of 26.9 percent of sales in 1984.

- The median annual stock turn rate (p.26) held steady at a 2.0 times turn. The median shrinkage rate (p.25) rose to 1.7 percent of sales from the 1.3 percent of sales achieved in 1984. Firms handling women's wear matched the industry performance of 1.7 percent of sales after achieving a 1.1 percent loss in 1984, and firms handling men's wear only reported losing 1.8 percent of sales to shrinkage in 1985 compared with 1.6 percent in 1984.

- Average initial markup (p.24) remained fairly steady in 1985, decreasing by only a tenth of a percent to a median 53.5 percent. Average initial markup by merchandise classification changed only fractionally, with men's sportswear and women's moving up by a half percent each, men's and boys' shoes declining by .8 percent, and all other categories showing only slight fluctuations.

- The median experience of markdowns (p.10) on men's clothing dropped 1.1 percentage points to 14.8 percent in 1985, from the five-year high of 15.9 percent set in 1984. Markdowns on men's sportswear lost the ground gained in 1984 by increasing to 16.5 percent from the 15.5 percent level of 1984. Men's furnishings markdowns increased for the second straight year, moving to 9.4 percent from the 8.5 percent level of 1984. Both men's sportswear and men's furnishings markdowns set five-year highs in 1985.

- Men's clothing department sales as a percentage of total sales (p.27) dropped slightly to 42 percent in 1985 compared with 42.2 percent in 1984, still above the 37 percent level of 1982. Men's suits, as a percentage of total sales, remained constant at 17.4 percent and sport coats moved up slightly to 13.6 percent of sales, compared with 12.4 percent in 1984. Looking at the distribution of sales within major departments (p.28), the most significant increases were in men's sportswear, where sport shirts moved up 3.4 percentage points to 35.7 percent of sportswear sales, and sweaters increased by 3.8 percentage points to 21.6 percent of sales in the sportswear department.

WHO MADE THIS SURVEY POSSIBLE

DATA COMPILATION

Information for this year's Survey was received, controlled and compiled into the statistical tables by Tyson Belzer & Associates, Inc. The medians and ranges of common experience were computed based on the confidential, unaudited questionnaires submitted by 157 participants with useable returns. Respondents were contacted as required to reconcile questionable data. The results of the participating members are presented to represent characteristics of the men's wear retailing industry and are not intended to represent a statistically valid sample of MRA members.

1985 REPORT BY GEOGRAPHIC AREA

The geographic areas used in this report are based on the United States Federal Reserve Districts. The Northeast area contains the Boston, Philadelphia, and New York Districts; the Southeast contains the Richmond and Atlanta Districts; the North Central is based on the Cleveland and Chicago Districts; the Central area covers the St. Louis, Minneapolis and Kansas City Districts; the Southwest, the Dallas District and the West, the San Francisco District. A map detailing these areas is found on page 57.

Geographic Area	Percent of Total Participants
Northeast	15%
Southeast	20%
North Central	25%
Central	20%
Southwest	6%
West	13%
Not Given	1%
Total	100%

1985 REPORT BY FIRM VOLUME

Volume Group	Percent of Total Participants
I. Under $300,000	13%
II. $300,000 to $499,999	15%
III. $500,000 to $999,999	29%
IV. $1,000,000 to $3,499,999	24%
V. $3,500,000 and over.	18%
Total	100%

1985 REPORT BY SIZE OF METROPOLITAN (TRADING) AREA

This is the population of trading area immediately surrounding the community, town, or city in which your business is located. These divisions represent the total number of potential customers for your store as found in your trading area.

Metropolitan Size	Percent of Total Participation
I. Less than 25,000	18%
II. 25,000 to 49,999	20%
III. 50,000 to 99,999	17%
IV. 100,000 to 499,999	20%
V. 500,000 to 999,999	9%
VI. 1,000,000 and over	13%
VII. Not Given	2%
Total	100%

1985 REPORT BY NUMBER OF RETAIL OUTLETS

No. of Outlets	Percent of Respondents
1	68%
2	11%
3	9%
4	3%
5	2%
6	3%
7	1%
8	1%
9	—%
10 or more	1%
Total	100%

1985 REPORT BY TYPE OF BUSINESS

Type of Business	Percent of Respondents
Proprietorships	7%
Partnerships	7%
Incorporated*	86%
Total	100%

*Included in this figure are Subchapter "S" incorporated proprietorships.

1985 REPORT BY STORE TYPE

Store Type	Percent of Total Stores	Type of Ownership	
		Own	Rent
Downtown	42%	38%	62%
Strip center	14%	8%	92%
Enclosed Mall	38%	4%	96%
Free-Standing Suburban	5%	43%	57%
All Stores	100%	21%	79%

SELLING AREA AND TOTAL AREA BY STORE TYPE

(average square feet)

Store Type	Selling Area	Total Area (Both Selling & Non-Selling) Average Sq. Ft.
Downtown	5,637	8,024
Strip Center	4,631	5,540
Enclosed Mall	4,951	5,754
Free-Standing Suburban	8,614	11,311

MERCHANDISE TRENDS—FIVE YEAR REPORT 1981-1985

These figures represent the changes in the men's fashion industry. Because Survey participants vary from year to year, the figures should not be interpreted as showing definite industry trends.

DISTRIBUTION OF MEN'S WEAR SALES WITHIN THREE MAJOR MERCHANDISE CLASSIFICATIONS

	1981	1982	1983	1984	1985
Total Men's Clothing	51.7%	49.1%	53.9%	45.2%	52.7%
Total Men's Sportswear	26.4%	27.6%	24.9%	32.8%	28.0%
Total Men's Furnishings	21.9%	23.3%	21.2%	22.0%	19.3%
Total	100.0%	100.0%	100.0%	100.0%	100%

PERCENTAGE OF INITIAL MARKUP FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

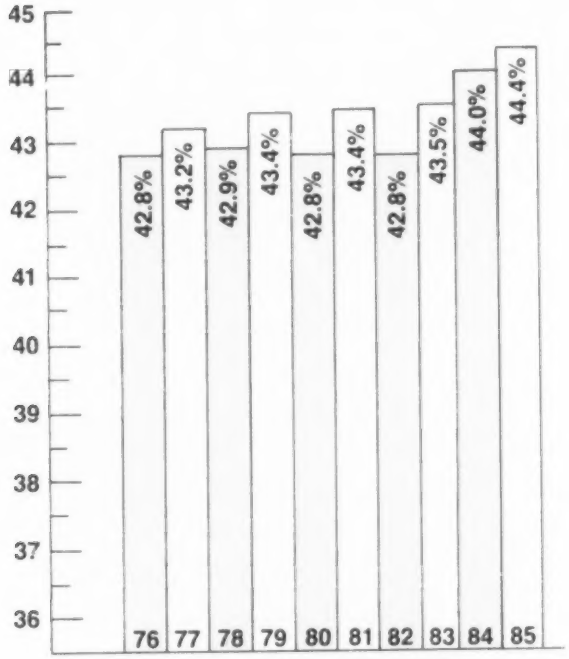
Year	Men's Clothing	Men's Sportswear	Men's Furnishings
1981	52.0%	52.0%	52.0%
1982	52.9%	52.7%	53.1%
1983	53.5%	53.6%	53.7%
1984	54.4%	53.5%	53.9%
1985	54.3%	54.0%	54.0%

PERCENT OF MARKDOWN FOR MAJOR MEN'S WEAR CATEGORIES FIVE YEAR REPORT

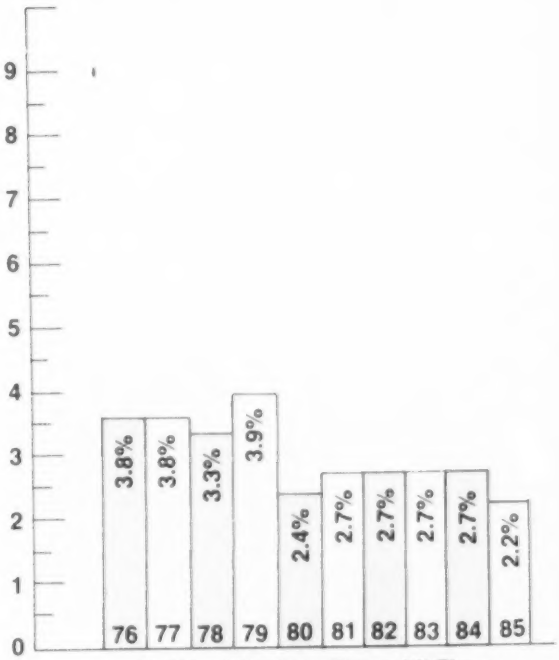
Year	Men's Clothing	Men's Sportswear	Men's Furnishings
1981	13.4%	12.5%	8.3%
1982	14.3%	14.8%	8.3%
1983	14.5%	16.4%	8.1%
1984	15.9%	15.5%	8.5%
1985	14.8%	16.5%	9.4%

TEN YEAR TRENDS

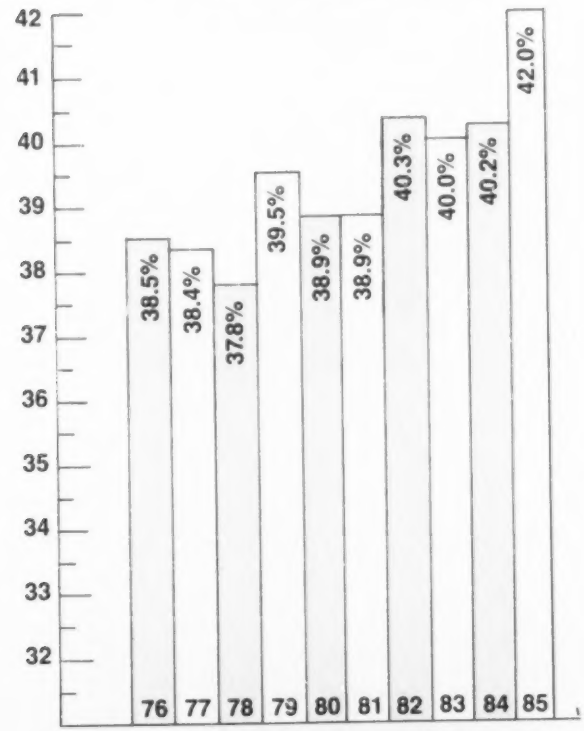
The presentation of ten year trend figures is to illustrate how the men's wear retailing industry changes. Each year's figures are independent and must stand alone. Because survey participants vary each year, the figures presented may not be entirely compatible. Data depicted are median figures.



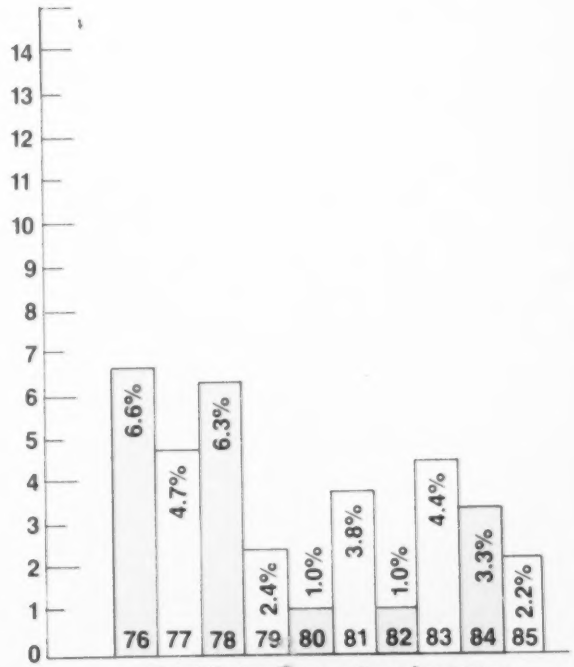
Gross Margin All Firms
(Percent of Net Sales)



Net Profit Before Taxes All Firms
(Percent of Net Sales)



Total Expenses All Firms
(Percent of Net Sales)



Total Sales Percentage Increase
over Prior Years

THE 10 KEY BUSINESS RATIOS THAT UNLOCK THE DOOR TO CREDIT AND HELP YOU EVALUATE THE SUCCESS OF YOUR BUSINESS

Each year these ten key business ratios are used by your banker, your resources and others to determine your ability to meet your obligations—your business' strength. Their evaluation of your performance in these ten areas can open the door to the credit you need. An understanding of these ten key business ratios helps you to evaluate and better understand your business.

1

CURRENT ASSETS TO CURRENT LIABILITIES

Current Assets are divided by total **Current Liabilities.** Current Assets are the cash, notes, accounts receivable, (less reserve for bad debts) merchandise inventories and securities (not in excess of market value). Current Liabilities consist of the total of all debts falling due within one year. This is one test of solvency.

2

QUICK RATIO OR ACID TEST

This ratio is a more severe measure of liquidity than the current ratio, since it eliminates inventory and prepaid items from consideration. It assumes that a company's ability to meet its current debts in an emergency depends on its "quick" assets—its cash and readily marketable securities and receivables. The traditional rule of thumb is that the minimum for this ratio should be 1 to 1, which implies that current liabilities are covered by quick assets. The ratio is obtained by dividing **"Quick Assets"** by **Current Liabilities.**

3

NET PROFITS ON NET SALES

This ratio is obtained by dividing **Net Profits** of the business (before taxes) by **Net Sales.** This important yardstick in measuring profitability is closely related to the next ratio.

4

NET PROFITS ON NET WORTH

This ratio is computed by dividing **Net Profits** (before taxes) by **Net Worth.** Net Worth is the equity you or your stockholders have in the business as obtained by subtracting total liabilities from total assets. There is a tendency to use this figure as a final evaluation of business profitability. Most evaluators look upon a relationship of at least 14 percent as desirable for providing funds for future growth.

5

NET PROFITS ON WORKING CAPITAL

This ratio is obtained by dividing **Net Profit** (before taxes) by **Net Working Capital.** Net Working Capital is the excess of Current Assets over Current Liabilities and represents the cushion available to the business for carrying inventories, in some cases receivables, and for day-to-day financing. This ratio then reflects the contribution of net profits to business liquidity.

6

NET SALES TO NET WORTH

Net Sales are divided by **Net Worth.** This gives a measure of the turnover of invested capital.

7

NET SALES TO NET WORKING CAPITAL

Divide **Net Sales** by **Net Working Capital.** This serves as a guide to a firm's ability to turn its Working Capital and its levels of operating funds.

8

CURRENT LIABILITIES ON NET WORTH

Computed by dividing **Current Liabilities** by **Net Worth.** A potential problem exists when this relationship exceeds 80 percent.

9

TOTAL LIABILITIES ON NET WORTH

Divide **Total Liabilities** by **Net Worth.** When this ratio is in excess of 100 percent the creditors have a greater equity in the firm than the owners.

10

INVENTORY ON NET WORKING CAPITAL

Merchandise Inventory, as reflected in current assets, is divided by **Net Working Capital.** This indicates inventory balance and true capital liquidity. Ordinarily this ratio should not exceed 80 percent or day-to-day operating capital is impaired.

TOTAL INDUSTRY PERFORMANCE ALL FIRMS

TEN KEY BUSINESS RATIOS BASED ON A STUDY OF MEN'S WEAR RETAILING FIRMS

	Range of Common Experience	Median
Current Assets to Current Liabilities	2.1- 4.9	2.9
Quick Ratio	.6- 1.7	.9
Net Profits on Net Sales	.4- 5.3	2.2%
Net Profits on Net Worth	1.0- 23.1	8.8%
Net Profits on Net Working Capital	1.9- 21.9	8.1%
Net Sales to Net Worth	2.6- 7.3	4.1
Net Sales to Net Working Capital	2.7- 5.8	4.0
Current Liabilities on Net Worth	27.1-121.9	61.4
Total Liabilities on Net Worth	32.6-210.0	87.2
Inventory on Net Working Capital	76.1-136.4	101.8

TEN KEY BUSINESS RATIOS BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000 (21 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (23 Firms)		GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (44 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (38 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities	3.2 - 20.4	4.7	2.1- 4.6	2.8	2.6- 6.3	3.2	1.9- 4.0	2.6	1.7- 3.1	2.2	
Quick ratio or acid test	.7 - 3.9	.9	.5- 1.1	.7	.5- 2.4	1.3	.5- 1.6	.9	.7- 1.4	1.0	
Net profits on net sales	(3.7)- 7.1%	2.5%	1.8- 8.2%	4.3%	.7- 5.8%	2.3%	.5- 2.8%	1.3%	.2- 4.7%	3.3%	
Net profits on net worth	(10.7)- 25.7%	5.5%	6.0- 35.8%	18.1%	1.7- 18.8%	7.0%	1.8- 20.4%	7.1%	.6- 23.2%	10.1%	
Net profits on net working capital	(11.2)- 13.1%	5.5%	4.2- 32.2%	12.3%	1.7- 20.8%	7.7%	2.5- 27.8%	6.2%	.6- 21.9%	11.0%	
Net sales to net worth	1.8 - 4.7	3.1	3.2- 14.6	7.2	2.1- 4.6	3.2	3.3- 8.7	5.0	3.2- 6.9	4.3	
Net sales to net working capital	2.0 - 4.0	2.6	2.9- 6.6	3.9	2.4- 4.8	3.3	2.8- 7.0	4.4	3.6- 6.6	4.9	
Current liabilities on net worth	3.5 - 89.7%	30.5%	49.8-301.3%	92.1%	18.9- 69.1%	38.9%	30.3-123.8%	68.9%	45.8-140.3%	73.0%	
Total liabilities on net worth	3.5 -214.2%	37.1%	73.4-683.0%	224.1%	23.3-110.9%	49.4%	53.5-202.1%	96.1%	58.6-210.8%	121.3%	
Inventory on net working capital	87.4 -113.5%	101.8%	96.1-142.6%	110.2%	67.4-139.8%	97.2%	62.9-136.4%	101.5%	76.0-148.7%	98.0%	

TEN KEY BUSINESS RATIOS BY GEOGRAPHIC (Federal Reserve District) AREA

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist. (24 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dist. (31 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dist. (38 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. (32 Firms)		SOUTHWEST Dallas F.R. Dist. (8 Firms)		WEST San Francisco F.R. Dist. (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities....	1.8- 2.6	2.2	2.4- 4.6	3.0	2.3- 6.8	3.3	1.7- 8.5	3.7	2.2 - 3.2	2.9	2.0- 5.1	2.9	_____
Quick ratio or acid test.....	.6- 1.1	.8	.7- 2.0	1.3	.6- 1.7	.9	.4- 2.8	.9	.6 - 1.6	1.3	.5- 1.9	.9	_____
Net profits on net sales.....	1.0- 5.0%	2.9%	.1- 4.7%	1.8%	.8- 7.3%	2.4%	(1.1)- 5.0%	2.1%	2.5- 5.8%	4.3%	(1.2)- 3.1%	1.4%	_____
Net profits on net worth	4.3- 26.7%	16.6%	.4- 22.5%	6.9%	2.9- 20.4%	9.0%	(6.9)- 23.4%	9.9%	6.0- 43.2%	15.4%	(6.0)- 19.2%	5.2%	_____
Net profits on net working capital..	4.4- 30.2%	14.9%	.4- 11.5%	6.2%	2.3- 15.4%	7.8%	1.7- 28.5%	13.0%	7.0- 39.1%	21.2%	(6.3)- 14.0%	5.5%	_____
Net sales to net worth.....	4.1- 8.1	4.9	2.4- 6.7	3.6	2.0- 7.0	3.4	2.2- 9.6	4.7	3.0 - 7.6	4.2	2.5- 7.0	3.7	_____
Net sales to net working capital..	4.3- 6.1	5.0	2.3- 5.3	3.5	2.1- 4.7	3.5	2.6- 6.7	3.7	3.6 - 5.9	4.9	2.6- 6.1	3.2	_____
Current liabilities on net worth	57.8-156.9%	95.6%	38.0- 94.1%	59.5%	20.9- 95.2%	50.8%	11.1-157.8%	47.5%	44.9 - 89.7%	69.7%	27.3-145.8%	55.7%	_____
Total liabilities on net worth	58.6-281.7%	137.2%	53.9-194.7%	81.5%	23.7-152.4%	59.7%	11.4-396.5%	151.2%	44.9 -135.8%	105.0%	29.3-267.2%	79.7%	_____
Inventory on net working capital..	97.6-145.1%	112.3%	63.8-122.3%	87.4%	70.7-136.4%	105.0%	70.9-142.6%	100.3%	72.5 -135.7%	80.0%	83.1-141.2%	113.4%	_____

TEN KEY BUSINESS RATIOS BY METROPOLITAN (TRADING) AREA SIZE

	POPULATION Less Than 25,000 (29 Firms)		POPULATION 25,000-49,999 (31 Firms)		POPULATION 50,000-99,999 (27 Firms)		POPULATION 100,000-499,999 (32 Firms)		POPULATION 500,000-999,999 (14 Firms)		POPULATION 1,000,000 and over (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Current assets to current liabilities	2.4- 7.4	3.6	2.3- 5.1	3.1	2.2- 6.3	3.1	2.2- 4.6	2.7	1.7- 3.9	2.5	1.5 - 5.1	2.0	
Quick ratio or acid test	.4- 1.3	.8	.5- 1.8	.9	.7- 2.7	1.0	.7- 1.8	1.0	.6- 2.0	1.2	.4 - 1.8	.7	
Net profits on net sales	(.9)- 5.6%	2.6%	.8- 5.8%	2.0%	.4- 5.7%	2.3%	1.2- 6.2%	3.7%	(1.1)- 4.5%	1.5%	(.6)- 4.9%	1.5%	
Net profits on net worth	.3- 24.8%	14.1%	1.8- 19.4%	7.3%	(7.0)- 14.2%	4.8%	4.1- 30.6%	22.9%	(16.7)- 14.8%	7.5%	(9.7)- 20.4%	4.2%	
Net profits on net working capital	.3- 31.4%	12.9%	1.8- 19.7%	6.2%	2.4- 18.7%	8.4%	3.9- 30.1%	8.1%	(8.0)- 19.7%	9.3%	(12.3)- 26.2%	4.4%	
Net sales to net worth	2.2- 5.7	3.6	2.6- 8.0	3.7	1.9- 8.0	3.7	3.3- 7.6	4.6	2.9- 9.0	4.2	2.8 - 7.3	5.1	
Net sales to net working capital	2.5- 4.9	3.5	2.6- 4.7	3.7	2.0- 5.9	3.6	2.9- 5.2	4.3	2.9- 7.6	5.1	2.8 - 10.1	5.8	
Current liabilities on net worth	21.9-120.6%	30.9%	34.4- 94.6%	61.0%	13.5-119.4%	52.1%	44.9-108.2%	74.2%	35.4-149.7%	48.8%	24.6 -186.1%	69.3%	
Total liabilities on net worth	23.3-263.9%	45.5%	36.7-201.0%	84.6%	13.5-292.8%	67.0%	54.4-251.1%	89.7%	46.9-193.8%	79.7%	35.8 -254.0%	127.2%	
Inventory on net working capital	95.4-131.1%	107.6%	82.1-139.2%	104.0%	50.2-113.5%	78.1%	62.9-129.3%	99.1%	68.0-150.7%	88.3%	78.0 -225.9%	150.2%	

THE STAR PERFORMERS

Pacesetters for the Men's Wear Retailing Industry

Median, or middle, performance figures used throughout this report offer comparative guidelines for evaluating your firm's performance with that of similar firms and the industry as a whole. However, for firms seeking more aggressive growth, we've highlighted the top performance levels as reported in this Survey and suggest that for some, they may serve as more challenging goals.

The sole criterion for star performers was net profit before taxes as reported by the top twenty-five percent who participated in this Survey.

In an effort to find out what contributes most to star performances, we have analyzed key criteria such as gross margin and expense categories such as payroll, rent, advertising and total expense levels. The resulting analysis indicates that no single key expense criterion was responsible for the stellar performance and while in most cases expenses were lower than the industry median performance, an exception indicates that higher profits can still be attained through controlling gross margin.

Gross Margin Contribution to Top Performance. Gross margin levels reflect the effectiveness of merchandising procedures and practices. The components involved are initial markup, markdowns, shrinkage, incoming freight and discounts earned. Improvements in gross margin translate into direct increases in net profits. Complete open-to-buy budgeting by classification and strict adherence to plans is the surest way to improve gross margin.

Expense Control Contribution to Top Performance. Controlling expenses is another major area affecting net profit. Variations between median figures for all stores within each volume group and goal figures are even more marked in expense levels than in gross margin, indicating this area provides the greatest opportunity for profit improvement. Expense savings are best achieved by detailed budgeting of each item by month. A prompt analysis and thorough review of any figures out of line should result in early correction.

Payroll is the largest expense category and therefore worthy of most attention. Careful utilization of part-time help will keep costs down. Motivation of the entire staff is necessary in improving productivity. Selling help must be scheduled in accordance with customer traffic pattern as studied frequently. Keeping records simple and reports at a minimum, consistent with needs and efficiency, keeps non-selling payroll down.

Merchandise Control Contribution to Top Performance. Effective merchandise control contributes substantially to net profit. Improved turnover will result in lower markdowns, less accumulation of old goods, fewer lost sales because of balanced stocks, and an improved fashion image. Higher sales per square foot in turn results in a more exciting store, less shrinkage, lower selling cost and savings in many expense areas.

GOAL FIGURE
LOWER 25% OF REPORTED FIGURES
MIDDLE 50% OF REPORTED FIGURES OR RANGE OF COMMON EXPERIENCE
UPPER 25% OF REPORTED FIGURES

STAR PERFORMERS BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
	(7 Firms)	(9 Firms)	(14 Firms)	(5 Firms)	(4 Firms)
	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure
Gross margin, including income from leased departments	46.5	42.9	44.1	43.6	49.2
Total payroll	19.6	15.8	17.4	15.1	14.6
Advertising	2.9	3.4	2.8	2.9	3.6
Real property rentals	4.8	2.7	2.3	3.3	7.7
Total expenses	34.4	36.3	37.4	33.8	38.9
Net profit, before Federal income taxes	9.9	8.4	7.3	6.5	10.9

STAR PERFORMERS BY GEOGRAPHIC (FEDERAL RESERVE DISTRICT) AREA

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist.	SOUTHEAST Richmond, Atlanta F.R. Dist.	NORTH CENTRAL Cleveland, Chicago F.R. Dist.	CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist.	SOUTHWEST Dallas F.R. Dist.	WEST San Francisco F.R. Dist.
	(5 Firms)	(7 Firms)	(14 Firms)	(7 Firms)	(3 Firms)	(3 Firms)
	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure	Goal Figure
Gross margin, including income from leased departments	44.2	44.0	47.1	42.9	NA	NA
Total payroll	14.3	18.1	18.5	15.8	NA	NA
Advertising	2.4	2.3	3.1	4.8	NA	NA
Real property rentals	3.5	1.8	4.0	3.2	NA	NA
Total expenses	34.2	37.2	40.3	33.3	NA	NA
Net profit, before Federal income taxes	6.7	7.5	8.1	8.5	NA	NA

STORE EMPLOYEES AND WHAT THEY DO

Group V firms returned to their 1983 level for average number of total employees, moving down from 76 employees in 1984 to 68 in 1985, and held the line with 30 full-time sales employees. However, the average number of part-time sales employees for Group V firms dropped to a median of 11, down 7 employees from their 1984 level. Group V firms also continued to increase the median number of tailoring and alterations department, and warehouse, delivery and maintenance personnel, with each category increasing by one employee.

Group IV firms dropped the additional employee they had acquired in 1984, reducing their average number of total employees to a median of 17. Group III firms continued to trim their staffs, moving to a median of 7 employees versus 8 in 1984 and 9 in 1983.

The average number of total employees for Group I and II firms remained the same in 1985, but Group I firms added 1 full-time sales employee and Group II firms dropped one.

STORE EMPLOYEES AND WHAT THEY DO BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
Average No. of employees					
Range of common experience	2-4	3-5	4-10	12-21	49-101
Median	3	4	7	17	68
General management					
Range of common experience	1-2	1-2	1-2	1-2	2-4
Median	1	1	1	2	2
Office personnel					
Range of common experience	1-1	1-1	1-1	2-3	5-16
Median	1	1	1	2	8
Buying & merchandising					
Range of common experience	NA	1-1	1-3	1-2	2-6
Median	NA	1	2	1	3
Store management					
Range of common experience	NA	1-1	1-1	1-3	2-8
Median	NA	1	1	2	6
Full-time sales					
Range of common experience	1-2	1-3	2-4	4-7	18-38
Median	2	1	3	6	30
Part-time sales					
Range of common experience	1-2	1-2	1-3	2-4	5-25
Median	1	1	2	3	11
Tailoring & alterations					
Range of common experience	1-1	1-1	1-2	2-4	10-23
Median	1	1	1	3	13
Warehouse, delivery, maintenance					
Range of common experience	NA	NA	1-1	1-2	4-10
Median	NA	NA	1	1	6

HOW PRODUCTIVE ARE YOUR EMPLOYEES

In an effort to help the retailer evaluate his employee's productivity, the average number of employees working for each Survey participant was divided into the key business figures of annual sales, gross margin, and operating profits. The results are an indication of your employees' contribution to the overall store profits and individual productivity. The figures represent median performance levels and are not those of the outstanding performers. This should be kept in mind when setting individual performance goals for your employees.

For the second year in a row, the average sales per employee for Group I firms declined. The median experience in 1985 was $61,100 per employee, down 15 percent from the 1984 median of $71,800. At the same time, average profit per employee for Group I firms increased to $2,100 from the 1984 median of $1,700, a gain of 24 percent.

Group II firms also saw median sales per employee increase to $102,800 from the $84,100 level of 1984 and lost a little of the tremendous gain in profit per employee experience in 1984 over 1983. Profit per employee for Group II firms was a median $5,000 in 1985 compared with $5,600 in 1984 and $2,100 in 1983.

Group III, IV and V firms all experienced increases in the median sales per employee. Groups III and IV showed declines in the medians for average profit per employee. Most significant was a 41 percent decline for Group IV firms to a median $1,300 from the $2,200 reported in 1984.

STORE EMPLOYEE PRODUCTIVITY BY FIRM VOLUME
(In Thousands of Dollars)

	GROUP I FIRMS ANNUAL SALES UNDER $300,000	GROUP II FIRMS ANNUAL SALES $300,000 to $499,999	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999	GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999	GROUP V FIRMS ANNUAL SALES $3,500,000 and over
Average total sales per employee					
Range of common experience	$53.1 - 91.2	$77.2-124.6	$69.4-150.7	$80.5-128.5	$74.0-113.0
Median	$66.1	$102.8	$96.0	$101.8	$90.4
Average gross margin per employee					
Range of common experience	$20.7 - 39.9	$33.8- 54.8	$29.3- 59.9	$35.8- 62.4	$33.7-55.3
Median	$29.0	$42.8	$44.0	$46.8	$41.4
Average profit per employee					
Range of common experience	$(1.8)- 3.9	$ 1.5- 7.3	$ .5- 7.0	$ .4- 2.5	$ .3- 4.4
Median	$ 2.1	$ 5.0	$ 2.6	$ 1.3	$ 2.9

On a regional basis, firms in the Northeast turned in the best overall performance for the second year in a row, increasing average sales per employee by 12 percent from $90,600 in 1984 to $101,500 in 1985. On par with sales, the average operating profit per employee increased from $2,600 to $3,300. Firms in the West showed a 30 percent increase in sales per employee, moving from $90,300 to $117,100, but saw average operating profit per employee decline by 17 percent to a median $1,900 versus the $2,300 reported in 1984. Firms in the Southwest experienced a dramatic 107 percent gain in average operating profit per employee, moving to a median $2,900 from the $1,400 reported in 1984 along with a 12 percent increase in the median figure for average total sales per employee. All other areas experienced increases of 1 to 11 percent in average sales per employee and saw average profit per employee even with or slightly lower than 1984 experiences.

STORE EMPLOYEE PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE

(In Thousands of Dollars)

	POPULATION Less Than 25,000 (29)Firms)		POPULATION 25,000-49,999 (31 Firms)		POPULATION 50,000-99,999 (27 Firms)		POPULATION 100,000-499,999 (30 Firms)		POPULATION 500,000-999,999 (14 Firms)		POPULATION 1,000,000 and over (20 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Average Total Sales Per Employee	$64.6-121.7	$89.8	$73.3-122.9	$97.0	$71.3-118.2	$97.6	$76.2-141.1	$100.6	$ 70.9 -137.0	$86.7	$ 79.5 -121.6	$93.5
Average Gross Margin Dollars Per Employee	$24.8- 48.7	$36.6	$32.1- 52.5	$42.5	$29.8- 54.8	$40.9	$33.4- 64.4	$47.1	$ 34.2 - 62.4	$39.7	$ 37.0 - 57.7	$45.2
Average Operating Profit Dollars Per Employee	$(.8)- 6.2	$ 3.5	$ .7- 6.3	$ 2.3	$ .5- 5.5	$ 2.4	$ 1.0- 10.3	$ 2.5	$(1.0)- 4.8	$ 1.4	$ .3- 4.4	$ 1.6

STORE EMPLOYEE PRODUCTIVITY BY GEOGRAPHIC (Federal Reserve District) AREA

(In Thousands of Dollars)

	NORTHEAST Boston, Philadelphia, New York, F.R. Dist.		SOUTHEAST Richmond, Atlanta F.R. Dist.		NORTH CENTRAL Cleveland, Chicago F.R. Dist.		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist.		SOUTHWEST Dallas F.R. Dist.		WEST San Francisco F.R. Dist.	
	(24 Firms)		(29 Firms)		(39 Firms)		(30 Firms)		(8 Firms)		(21 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Average Total Sales Per Employee	$88.9-123.9	$101.5	$67.9-108.6	$83.4	$67.0-129.3	$91.7	$68.4-115.8	$86.7	$67.9-125.6	$94.0	$83.3-154.0	$117.1
Average Gross Margin Dollars Per Employee	$38.2- 63.5	$43.0	$29.9-48.8	$38.7	$28.0- 60.0	$43.0	$29.5- 50.8	$37.1	$33.2- 59.9	$44.3	$40.4- 61.7	$49.1
Average Operating Profit Dollars Per Employee	$ .9- 6.2	$ 3.3	$ .9- 3.9	$ 2.1	$ .8- 7.5	$ 2.7	$ (.8)- 5.0	$ 2.3	$ 2.2- 11.3	$ 2.9	$(1.2)- 3.9	$ 1.9

MEN'S WEAR SALESPERSON'S PRODUCTIVITY AND COMPENSATION

Rising costs of selling and other business expenses make sales personnel productivity more important than ever. To help MRA members measure their sales employees' performance levels, a special study of average sales and payroll costs per sales employee was undertaken.

The study showed firms in Group IV ($1,000,000-$3,499,999) experienced the largest increase in average sales per sales employee with a median experience of $211,400 compared with $172,800 in 1984. A corresponding increase of 34 percent in average pay per sales employee put Group IV firms at the top of the pay scale with a median of $21,500. Group I firms saw median sales per sales employee decline 12 percent to $104,800 while the median pay increased to $11,600 from the 1984 median of $8,700.

On a regional basis, firms in the Southwest reported a 30 percent increase in average sales per sales employee to $260,200 in 1985 with an increase in median pay per sales employee of 21 percent to $20,500.

SALES PRODUCTIVITY BY FIRM VOLUME
(in Thousands of Dollars)

Volume Group	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Under $300,000	$ 85.9-159.6	$104.8	$ 5.4-27.5	$11.6
$300,000 to $499,999	$120.1-126.3	$152.6	$10.5-19.4	$12.2
$500,000 to $999,999	$131.5-235.8	$172.7	$11.2-22.5	$14.9
$1,000,000 to $3,499,999	$162.9-311.1	$211.4	$15.0-28.2	$21.5
$3,500,000 and over	$143.5-258.1	$195.6	$12.9-26.9	$21.0

SALES PRODUCTIVITY BY GEOGRAPHIC (Federal Reserve District) AREA
(in Thousands of Dollars)

Geographic Area	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Northeast	$153.7-274.9	$195.4	$11.8-30.5	$20.0
Southeast	$119.5-240.8	$140.1	$10.9-24.2	$13.4
North Central	$121.8-290.1	$182.2	$12.2-24.9	$15.6
Central	$142.9-227.7	$181.7	$ 9.8-21.5	$13.7
Southwest	$152.7-398.8	$260.2	$14.7-29.5	$20.5
West	$160.4-307.9	$195.0	$14.0-33.3	$19.5

SALES PRODUCTIVITY BY METROPOLITAN (TRADING) AREA SIZE
(in Thousands of Dollars)

Metropolitan Size	AVERAGE SALES PER SALES EMPLOYEE		AVERAGE PAY PER SALES EMPLOYEE	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Under 25,000	$121.0-273.9	$154.4	$10.6-21.4	$12.5
25,000 to 49,999	$119.6-211.4	$171.2	$11.1-20.4	$15.5
50,000 to 99,999	$112.2-222.8	$172.7	$ 9.1-24.1	$14.0
100,000 to 499,999	$132.2-302.0	$187.0	$11.5-28.6	$16.3
500,000 to 999,999	$171.4-331.2	$244.3	$17.5-31.9	$24.7
1,000,000 and over	$161.5-321.2	$221.6	$13.3-31.8	$23.4

1985 STORE OWNER COMPENSATION
(in Thousands of Dollars)

Firm Volume	Range of Common Experience	Median
Under $300,000	$11.0- 30.4	$17.7
$300,000 to $499,999	$15.4- 34.1	$24.4
$500,000 to $999,999	$23.0- 46.3	$32.9
$1,000,000 to $3,499,999	$37.7- 73.6	$55.9
$3,500,000 and over	$47.4- 92.0	$65.8

Geographic Area	Range of Common Experience	Median
Northeast	$28.2-65.3	$45.1
Southeast	$22.3-63.5	$42.1
North Central	$22.6-55.6	$39.2
Central	$25.3-61.0	$33.3
Southwest	$36.0-69.7	$54.0
West	$22.4-79.6	$31.6

Metropolitan Size	Range of Common Experience	Median
Under 25,000	$19.8- 49.0	$32.8
25,000 to 49,999	$21.8- 44.4	$31.7
50,000 to 99,999	$24.2- 61.1	$32.7
100,000 to 499,999	$27.2- 63.5	$46.3
500,000 to 999,999	$34.0- 87.7	$64.8
1,000,000 and over	$27.0-104.8	$50.7

1985 ALTERATION/TAILORING PERSONNEL COMPENSATION
(in Thousands of Dollars)

Firm Volume	Range of Common Experience	Median
Under $300,000	NA	NA
$300,000 to $499,999	$ 6.7-19.3	$ 9.3
$500,000 to $999,999	$ 6.3-16.5	$10.9
$1,000,000 to $3,499,999	$11.7-20.4	$16.4
$3,500,000 and over	$12.1-18.9	$15.0

Geographic Area	Range of Common Experience	Median
Northeast	$ 9.2-20.9	$15.5
Southeast	$ 9.6-14.6	$11.5
North Central	$10.6-20.4	$15.8
Central	$ 8.8-19.1	$12.9
Southwest	$10.8-18.0	$14.0
West	$18.0-23.9	$13.2

Metropolitan Size	Range of Common Experience	Median
Under 25,000	$ 5.2-16.6	$ 9.1
25,000 to 49,999	$ 8.7-19.3	$12.2
50,000 to 99,999	$ 8.3-22.6	$11.2
100,000 to 499,999	$ 9.6-19.5	$15.0
500,000 to 999,999	$11.2-17.2	$13.0
1,000,000 and over	$15.2-20.8	$16.9

1985 PROFIT AND MERCHANDISING INFORMATION FOR ALL FIRMS

After a steady, four-year performance of a median 2.7 percent of sales, net profits before taxes slipped to 2.2 percent of sales in 1985, the lowest in 10 years. The Profit Performance table below shows the number of reporting firms showing losses in 1985 leapt back to 21 percent, compared with 16 percent of reporting firms in 1984. Of those firms reporting a profit, 52 percent fell into the range between 0 and 4.9 percent, and the remaining 27 percent reported net profits of 5 percent or greater, compared with 33 percent at this performance level in 1984.

Gross margin (excluding net alterations expense) continued to inch up in 1985, increasing .4 percent to 44.4 percent of sales compared with 44.0 percent in 1984. Net alterations costs in 1985 rose above the previous 1979-1980 high of 2.2 percent of sales to 2.4 percent of sales. In 1984 the median experience for net alterations costs was 2.0 percent.

1985 PROFIT PERFORMANCE—ALL FIRMS

PROFIT PERCENTAGE	NUMBER OF FIRMS	PERCENTAGE OF TOTAL FIRMS
Loss	33	21%
0.0- 0.9	16	10
1.0- 1.9	26	17
2.0- 2.9	15	10
3.0- 3.9	8	5
4.0- 4.9	16	10
5.0- 5.9	13	8
6.0- 6.9	4	3
7.0- 7.9	5	3
8.0- 8.9	6	4
9.0- 9.9	2	1
10.0-10.9	1	1
11.0-11.9	2	1
12.0-12.9	1	1
13.0-13.9	3	2
14.0-14.9	—	—
15.0-15.9	—	—
16.0 and over	5	3
	155	100.0%

MERCHANDISING

For the second year, men's clothing department sales as a percentage of total sales fell off fractionally to 42.0 percent of total sales. Men's suits, as a percentage of total sales, held firm at 17.4 percent of total sales in 1985 but lost 1.4 percentage points as a percent of clothing department sales, moving from 45.2 percent in 1984 to 43.8 percent in 1985. For firms handling men's wear only, clothing sales increased 8 percentage points to 54.5 percent of total sales in 1985.

Sport coat sales increased 1.2 percentage points to 13.6 percent of total sales and up from 29.8 to 30.8 percent of sales within the clothing department. Dress slacks and men's coat sales declined slightly in share of total sales but men's coats bettered their performance in terms of percent of clothing department sales, edging up from 5.7 percent in 1984 to 6.1 percent of clothing department sales in 1985.

Men's Sportswear represented 19.8 percent of total store sales in 1985, compared with 20.9 percent in 1984 and 22.5 percent in 1983. Categories within the sportswear classification experienced fractional fluctuations as a percent of total store sales in 1985 compared with 1984. Within the sportswear department, notable increases were experienced in sport shirt and sweater sales. Sport shirts moved up 3.4 percentage points to 35.7 percent of sportswear department sales and sweaters increased 3.8 percentage points to 21.6 percent of sportswear sales, compared with 17.8 percent in 1984.

Men's furnishings sales represented 16.8 percent of total sales in 1985, down from the 17.2 percent level of 1984 and 18.2 percent level of 1983. Firms handling men's wear only reported an increased share for furnishings sales, moving to 22 percent of total sales from the 20.1 percent level of 1984. Within the furnishings department, neckwear increased .5 percent to 23.6 percent of furnishings sales and underwear sales accounted for 7.8 percent of furnishings sales in 1985, compared with 6.3 percent in 1984.

INVENTORY TURNOVER AND AVERAGE INITIAL MARKUP

The median annual stock turn rate in 1985 held steady at the 2.0 level of 1984. Firms handling men's wear only improved their median turnover rate to 2.3 against their 1984 performance of 1.7 and firms handling women's wear saw stock turn decline to 1.9 from the 2.1 rate of 1984. Men's clothing inventory turnover slipped to 1.6 in 1985 from 1.7 in 1984, and inventory turnover in sportswear and furnishings remained the same as 1983 and 1984 at 2.3 and 1.9, respectively. Women's wear turnover improved slightly to a 2.3 times turn from the 2.2 times turn of 1984.

Average initial markup held its high level, declining only fractionally to 53.5 percent from the median 53.6 percent achieved in 1984. Average initial markups on men's sportswear and women's wear each showed .5 percent increases to 54.0 and 53.4 percent, respectively.

ALL FIRMS OPERATING EXPERIENCES
1985 AVERAGE INITIAL MARKUP BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (54 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (21 Firms)		FIRMS HANDLING WOMEN'S WEAR (33 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING (010-090)							
Total Men's Clothing	52.5-56.0	54.3	_____	53.3-56.3	55 0	52.0-55.8	53.8
MEN'S SPORTSWEAR (100-250)							
Total Men's Sportswear	52.0-55.7	54.0	_____	52.5-56.2	54.3	51.7-55.3	53.0
MEN'S FURNISHINGS (260-295)							
Total Men's Furnishings	52.0-55.4	54.0	_____	52.0-56.1	54.0	52.0-55.3	54.0
BOYS' AND TEENS' (400-560)							
Total Boys' and Teens'	46.0-52.8	50.0	_____	43.8-54.5	50.6	46.0-52.8	50.0
MEN'S AND BOYS' SHOES (570-595)							
Total Men's and Boys' Shoes	48.7-51.8	50.6	_____	47.6-52.3	50.1	49.0-52.0	51.2
WOMEN'S (Misses and Juniors) WEAR (600-773)							
Total Women's Wear	50.3-54.4	53.4	_____	NA	NA	50.3-54.4	53.4
WESTERN WEAR (810-890)							
Total Western Wear	47.0-54.1	50.2	_____	NA	NA	46.8-56.3	49.9
OVERALL TOTAL	52.5-55.2	53.5	_____	52.9-55.9	54.7	51.9-54.6	53.2

*For each major department, only those stores reporting that classification are included in the tabulation. Average Initial markup is the percent difference between the cost of goods purchased (including freight cost) and the original retail price, divided by the original retail price. For this purpose cash discounts are not subtracted.

SHRINKAGE

The median annual shrinkage figure rose to 1.7 percent of sales from the 1.3 percent of sales achieved in 1984. Firms handling women's wear matched the industry performance of 1.7 percent of sales after confining these losses to only 1.1 percent of sales in 1984. Firms handling men's wear only reported losing 1.8 percent of sales to shrinkage in 1985, compared with 1.6 percent in 1984.

Men's clothing showed the most dramatic increase in shrinkage in 1985, representing one-third of total store losses compared with 25 percent in 1984. Only men's sportswear improved its performance on shrinkage, bringing the median experience down to 22 percent from 23.7 percent in 1984.

Women's wear accounted for a median 25.4 percent of total shrinkage in 1985, up 2.9 percentage points from 1984. Men's furnishings shrinkage increased to 20.2 percent of the total in 1985, compared with 19.4 percent in 1984.

SHRINKAGE BY MAJOR DEPARTMENT AS A PERCENTAGE OF TOTAL SHRINKAGE

Major Department	ALL FIRMS (43 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM
Men's Clothing	13.0-52.4	33.3	_____ %
Men's Sportswear	11.5-35.6	22.0	_____ %
Men's Furnishings	8.3-34.6	20.2	_____ %
Boys' and Teens'	.1-12.0	5.1	_____ %
Men's and Boys' Shoes	1.9-11.6	5.7	_____ %
Women's Wear	9.6-42.7	25.4	_____ %

LEASED DEPARTMENT SALES AS A PERCENT OF TOTAL FIRM SALES

Leased Department	Range of Common Experience	Median
Shoes	5.7-14.0	7.6
Women's Wear	NA	NA
Tuxedo Rental	1.2- 4.2	2.3
Miscellaneous* firm sales	1.2- 9.1	4.9
Overall Total	3.5-15.2	7.9

*Miscellaneous leased departments include hobby shops, plants, hats, men's hairpiece, beauty and barber, jewelry, luggage, and ski and sports equipment shops.

ALL FIRMS OPERATING EXPERIENCES

1985 MERCHANDISING AND PRODUCTIVITY DATA

	ALL FIRMS (156 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (74 Firms)		FIRMS HANDLING WOMEN'S WEAR (78 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
SALES DATA							
Increase in total net sales from last year	(4.8)- 9.6	2.2	____ %	(7.1)- 8.9	0	(2.2) - 10.4	3.9
Sales per square foot of total store area in dollars	93.3 -189.7	127.1	_____	90.1 -162.2	106.8	103.3 -207.6	150.0
SELLING AND ADVERTISING COST							
Selling payroll, percent of net sales excluding leased departments	7.6 - 11.0	9.5	_____	7.6 - 11.3	9.7	7.7 - 10.7	9.2
Advertising percent of net sales excluding leased departments	2.5 - 4.8	3.4	_____	2.3 - 4.9	3.3	2.8 - 4.7	3.5
MERCHANDISING DATA							
Annual stock turn, number of times at retail	1.4 - 2.4	2.0	_____	1.3 - 2.5	2.3	1.5 - 2.3	1.9
Transportation in charges on goods purchased as a percent of total sales	.5 - 1.2	.8	_____	.5- 1.3	.8	.5 - 1.1	.9
Beginning 1985 inventory as a percent of 1984 sales	18.6 - 32.3	23.4	_____	18.6 - 34.6	25.1	18.6 - 30.2	22.9
Ending 1985 inventory as a percent of 1985 sales	19.5 - 33.9	25.6	_____	21.1 - 39.6	27.6	18.0 - 30.6	24.3
ALTERATION DATA AND COST							
Net workroom cost, percent of net sales excluding leased departments	1.4 - 3.2	2.4	_____	1.2 - 3.2	2.5	1.4 - 3.3	2.3
Net alterations cost, percent of men's clothing sales	4.6 - 8.5	6.1	_____	3.7 - 6.8	5.3	5.2 - 9.7	7.0
Income from alterations, percent of net sales excluding leased departments	.2- .8	.4	_____	.3 - .7	.4	.2 - .9	.3
PROFIT AND FINANCIAL DATA							
Income from leased departments, percent of leased departments sales	13.2- 17.3	14.9	_____	12.4 - 25.4	14.5	13.2 - 16.5	14.9
Cash discounts earned as % of net sales	.3- .9	.5	_____	.3 - .5	.4	.5 - 1.3	.7
Net profit on net sales	.4- 5.3	2.2	_____	.2 - 6.6	2.5	.5 - 4.8	1.9
Net profit on net worth	1.0- 23.1	8.8	_____	(.2)- 24.2	9.0	1.4 - 22.4	7.9
Net profit on net working capital	1.9- 21.9	8.1	_____	1.0 - 23.8	7.8	2.3 - 21.6	8.4

ALL FIRMS OPERATING EXPERIENCES

1985 PERCENTAGE DISTRIBUTION OF TOTAL SALES BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (75 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (32 Firms)		FIRMS HANDLING WOMEN'S WEAR (43 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	10.6-24.4	17.4	____%	12.5-28.2	23.2	9.9-20.7	14.0
040 Men's Coats	1.2- 3.4	2.1	____	1.5- 4.3	2.6	1.2- 2.7	1.8
060 Sport Coats	8.4-16.0	13.6	____	12.2-18.6	14.6	6.8-14.5	11.6
080 Dress Slacks	5.4-10.7	8.6	____	8.1-12.9	9.5	4.0-9.6	6.5
Total Men's Clothing	26.9-55.8	42.0	____	34.0-56.7	54.5	22.8-47.0	35.7
MEN'S SPORTSWEAR							
100 Sport Shirts	4.9-10.4	7.6	____	6.6-13.1	9.4	4.4- 8.2	5.9
130 Sweaters	2.9- 5.7	4.1	____	3.3- 6.7	5.3	2.6- 4.9	3.7
150 Actionwear	.8- 2.4	1.5	____	8- 3.1	1.8	7- 2.3	1.2
180 Casual Slacks	1.9- 5.2	3.5	____	2.0-6.1	3.7	1.9- 4.8	3.1
200 Jeans	.8- 3.5	1.9	____	6- 3.5	2.6	1.4- 4.5	1.9
220 Jackets & Heavy Outerwear	1.6- 5.1	3.3	____	3.1- 7.3	4.2	1.3- 4.3	2.3
240 Coordinated Leisurewear	.2- 1.4	.8	____	6- 1.8	1.2	2- .8	.6
Total Men's Sportswear	13.4-31.0	19.8	____	17.2-37.4	24.4	12.5-23.8	17.8
MEN'S FURNISHINGS							
260 Dress Shirts	5.2- 8.5	6.7	____	6.2- 9.5	8.0	3.9- 7.5	6.0
290 Neckwear	3.0- 5.2	3.9	____	3.3- 5.7	4.2	2.6- 5.1	3.8
300 Hosiery	.7- 1.5	1.0	____	.9-1.6	1.3	.6- 1.2	.9
310 Men's Belts	.6- 1.2	.9	____	.8-1.4	1.1	.6- 1.1	.7
320 Men's Accessories	1.2- 2.8	1.9	____	1.7- 3.1	2.0	1.2- 2.6	1.8
340 Underwear	.6- 2.1	1.2	____	1.1- 2.5	1.7	.5- 1.5	.8
360 Sleepwear	.4- 1.0	.6	____	.6- 1.5	1.0	.3- .8	.5
380 Men's Headwear	.4- 1.0	.6	____	.6- 1.3	.9	.3- .7	.5
Total Men's Furnishings	13.3-22.2	16.8	____	16.7-23.3	22.0	11.4-17.7	15.5
BOYS' AND TEENS'							
400–440 Clothing	.2- 1.3	.7	____	.4- 6.6	1.1	.2- 1.0	.5
450–510 Sportswear	.9- 5.1	2.0	____	1.9- 8.1	4.6	.9- 3.9	1.7
520–560 Furnishings	.3- 1.8	1.0	____	.1- 1.8	.4	.4- 1.9	1.1
Total Boys' and Teens'	.9- 4.8	2.6	____	.3-15.9	3.0	.9- 3.3	2.6
MEN'S AND BOYS' SHOES							
570–595	2.1- 6.2	3.6	____	1.6- 7.1	3.6	2.1- 6.2	3.7
WOMEN'S WEAR							
600–699 Misses	10.3-29.6	17.2	____	NA	NA	10.3-29.6	17.2
700–773 Junior	1.5-32.1	10.8	____	NA	NA	1.5-32.1	10.8
Total Women's Wear	7.6-42.5	17.4	____	NA	NA	7.6-42.5	17.4
WESTERN WEAR							
810–890	1.0-13.7	5.0	____	NA	NA	1.0-13.7	5.7
OVERALL TOTAL		100.0	____		100.0		100.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1985 PERCENTAGE DISTRIBUTION OF SALES WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

Percentage Distribution of Men's Clothing Sales by Merchandise Classification**	ALL FIRMS (75 Firms) Range of Common Experience	ALL FIRMS (75 Firms) Median Firm	YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (32 Firms) Range of Common Experience	FIRMS HANDLING MEN'S WEAR ONLY (32 Firms) Median Firm	FIRMS HANDLING WOMEN'S WEAR (43 Firms) Range of Common Experience	FIRMS HANDLING WOMEN'S WEAR (43 Firms) Median Firm
MEN'S CLOTHING							
010 Men's Suits	37.4-49.0	43.8	____%	31.0-49.4	43.7	38.0-47.9	43.8
040 Men's Coats	4.0- 8.0	6.1	_____	3.6- 9.1	6.2	4.6- 7.8	6.0
060 Sport Coats	27.4-35.6	30.8	_____	26.8-35.8	29.9	27.4-35.5	31.4
080 Dress Slacks	15.6-24.1	19.5	_____	16.2-25.8	21.4	15.2-22.6	17.9
Total Men's Clothing		100.0	_____		100.0		100.0
Percentage Distribution of Men's Sportswear Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S SPORTSWEAR							
100 Sport Shirts	28.4-42.2	35.7	____%	30.3-43.1	36.5	28.3-42.1	35.1
130 Sweaters	13.6-29.0	21.6	_____	15.3-29.3	21.4	13.0-29.7	22.7
150 Actionwear	4.4-10.3	6.3	_____	3.2-12.7	5.6	4.9-10.1	6.7
180 Casual Slacks	10.0-21.6	15.4	_____	9.2-20.8	13.3	11.5-22.3	15.8
200 Jeans	3.9-12.5	8.7	_____	2.7-12.1	8.8	5.8-14.1	8.6
220 Jackets & Heavy Outerwear	9.7-19.3	14.3	_____	13.2-19.9	15.5	9.4-18.7	12.3
240 Coordinated Leisurewear	1.0- 5.7	3.1	_____	1.8- 5.6	3.2	.5- 5.8	2.4
Total Men's Sportswear		100.0	_____		100.0		100.0
Percentage Distribution of Men's Furnishings Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S FURNISHINGS							
260 Dress Shirts	33.2-44.7	39.2	____%	33.8-46.4	39.7	32.0-44.5	38.5
290 Neckwear	17.6-30.8	23.6	_____	16.9-30.3	21.2	19.8-31.2	24.1
300 Hosiery	4.5- 8.3	6.1	_____	4.6- 8.2	6.3	4.3- 8.3	5.9
310 Men's Belts	3.9- 6.4	5.1	_____	3.7- 7.0	4.8	4.2- 6.0	5.1
320 Men's Accessories	8.8-15.5	11.2	_____	8.0-13.7	10.1	9.0-17.3	12.3
340 Underwear	3.9-11.1	7.8	_____	5.1-12.7	8.8	3.5-11.0	6.1
360 Sleepwear	2.7- 5.4	4.1	_____	3.2- 7.3	4.5	2.4- 4.8	3.9
380 Men's Headwear	2.5- 6.0	3.9	_____	3.0- 6.5	4.0	2.0- 5.6	3.3
Total Men's Furnishings		100.0	_____		100.0		100.0

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual."

ALL FIRMS OPERATING EXPERIENCES

1985 PERCENTAGE DISTRIBUTION OF AVERAGE INVENTORY WITHIN MAJOR DEPARTMENTS BY MERCHANDISE CLASSIFICATION*

Percentage Distribution of Men's Clothing Sales by Merchandise Classification**	ALL FIRMS (36 Firms) Range of Common Experience	ALL FIRMS (36 Firms) Median Firm	YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (13 Firms) Range of Common Experience	FIRMS HANDLING MEN'S WEAR ONLY (13 Firms) Median Firm	FIRMS HANDLING WOMEN'S WEAR (23 Firms) Range of Common Experience	FIRMS HANDLING WOMEN'S WEAR (23 Firms) Median Firm
MEN'S CLOTHING							
010 Men's Suits	39.5-50.3	46.4	____ %	38.7-49.3	44.0	39.7-53.7	47.9
040 Men's Coats	2.6- 7.0	4.5	____	2.0- 7.0	3.5	2.9- 6.7	5.4
060 Sport Coats	29.1-38.4	33.2	____	30.5-39.0	35.0	25.2-38.7	32.4
080 Dress Slacks	12.1-20.1	15.3	____	14.7-21.8	17.7	11.7-18.7	14.5
Total Men's Clothing		100.0	____		100.0		100.0
Percentage Distribution of Men's Sportswear Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S SPORTSWEAR							
100 Sport Shirts	23.4-40.9	31.5	____ %	29.8-45.5	32.4	19.5-39.1	31.0
130 Sweaters	14.5-32.5	20.8	____	15.7-33.6	25.1	12.3-32.2	20.0
150 Actionwear	4.6-11.6	7.2	____	3.0-12.0	5.7	4.7-11.7	7.4
180 Casual Slacks	9.7-22.3	16.5	____	6.5-24.6	17.8	9.7-23.0	16.5
200 Jeans	5.5-15.9	8.8	____	3.7-21.0	10.6	6.0-11.0	7.9
220 Jackets & Heavy Outerwear	10.9-22.0	13.4	____	11.2-18.0	13.1	10.4-24.1	13.6
240 Coordinated Leisurewear	1.0- 8.3	3.4	____	1.0- 7.8	2.7	.3-11.5	4.0
Total Men's Sportswear		100.0	____		100.0		100.0
Percentage Distribution of Men's Furnishings Sales by Merchandise Classification**	**Range of Common Experience**	**Median Firm**	**YOUR FIRM**	**Range of Common Experience**	**Median Firm**	**Range of Common Experience**	**Median Firm**
MEN'S FURNISHINGS							
260 Dress Shirts	33.6-50.3	42.1	____ %	39.1-54.9	45.3	32.2-44.0	37.8
290 Neckwear	14.5-26.7	20.4	____	14.9-26.4	20.0	14.0-26.7	21.4
300 Hosiery	4.0- 6.9	5.2	____	4.0- 6.9	4.9	3.7- 7.1	5.8
310 Men's Belts	4.3- 9.8	5.9	____	3.3- 8.9	5.8	4.4-10.1	5.9
320 Men's Accessories	10.6-16.6	14.9	____	8.4-16.1	15.0	11.1-18.9	14.4
340 Underwear	4.1-12.8	7.0	____	3.9-13.0	5.8	4.0-12.7	7.1
360 Sleepwear	2.7- 6.0	4.1	____	2.6- 8.0	4.3	2.6- 5.7	4.0
380 Men's Headwear	1.3- 4.8	3.1	____	1.1- 4.3	3.5	1.5- 6.0	2.9
Total Men's Furnishings		100.0	____		100.0		100.0

*For each merchandise category, only those stores reporting that category are included in the tabulation.

**Classification numbers are those used in MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual."

ALL FIRMS OPERATING EXPERIENCES
PERCENTAGE INCREASE OR (DECREASE) IN SALES BY MERCHANDISE CLASSIFICATION FROM 1984 TO 1985*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (59 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (24 Firms)		FIRMS HANDLING WOMEN'S WEAR (35 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	(8.9)- 6.4	(.4)	____%	(9.4)- 18.4	(.7)	(10.1)- 5.6	1.6
040 Men's Coats	(8.8)- 25.0	4.1	____	(12.6)- 36.3	3.8	(8.6)- 21.7	4.5
060 Sport Coats	(6.5)- 15.4	.6	____	(7.4)- 29.5	.6	(6.1)- 12.4	.6
080 Dress Slacks	(6.0)- 10.0	1.7	____	(10.3)- 13.0	.7	(3.8)- 9.3	2.4
Total Men's Clothing	(6.5)- 8.8	1.4	____	(6.8)- 13.4	.5	(5.8)- 7.6	2.2
MEN'S SPORTSWEAR							
100 Sport Shirts	(7.6)- 14.8	2.4	____	(8.4)- 18.2	3.9	(4.4)- 12.3	2.0
130 Sweaters	(8.5)- 15.9	2.0	____	(4.5)- 26.5	3.4	(9.4)- 8.0	1.1
150 Actionwear	(20.9)- 23.9	2.2	____	(14.8)- 39.3	3.8	(24.7)- 20.3	(5.3)
180 Casual Slacks	(12.7)- 10.4	(3.2)	____	(9.1)- 15.1	(4.0)	(14.3)- 8.7	(2.4)
200 Jeans	(42.9)- (2.0)	(10.8)	____	(32.3)- (2.4)	(10.0)	(60.3)- .8	(14.4)
220 Jackets & Heavy Outerwear	(22.6)- 4.2	(6.3)	____	(22.1)- (2.5)	(8.4)	(23.1)- 5.0	(4.1)
240 Coordinated Leisurewear	(40.3)- 26.7	(6.6)	____	(19.4)- 83.0	(6.6)	(49.8)- 222.9	(14.6)
Total Men's Sportswear	(9.3)- 6.4	(2.6)	____	(10.9)- 12.5	2.2	(8.7)- 3.8	(3.2)
MEN'S FURNISHINGS							
260 Dress Shirts	(9.5)- 6.0	(3.3)	____	(7.5)- 14.1	(.7)	(9.7)- 2.9	(4.9)
290 Neckwear	(6.4)- 11.4	1.0	____	(7.3)- 12.4	(3.5)	(6.4)- 8.4	1.9
300 Hosiery	(7.6)- 8.7	3.1	____	(1.6)- 8.6	5.6	(8.1)- 9.7	(11.0)
310 Men's Belts	(11.0)- 15.8	.5	____	(14.6)- 10.1	.6	(10.1)- 18.1	.5
320 Men's Accessories	(5.2)- 20.5	8.3	____	1.3 - 31.4	9.3	(8.5)- 20.1	8.0
340 Underwear	(14.8)- 7.4	(3.1)	____	(14.9)- (3.1)	(8.0)	(11.1)- 10.0	(.1)
360 Sleepwear	(11.9)- 16.3	.4	____	(14.9)- 22.3	(.2)	(10.6)- 13.6	.4
380 Men's Headwear	(6.7)- 15.2	4.0	____	(4.0)- 19.3	7.7	(7.6)- 9.2	.3
Total Men's Furnishings	(5.8)- 6.4	.2	____	(5.3)- 9.1	1.2	(6.9)- 3.7	.1
BOYS' AND TEENS'							
400–440 Clothing	(54.4)- (7.4)	(22.7)	____	NA	NA	(75.1)- (6.0)	(31.9)
450–510 Sportswear	(43.6)- .5	(18.8)	____	NA	NA	(44.8)- 2.8	(24.3)
520–560 Furnishings	(25.8)- 32.0	12.6	____	NA	NA	(22.7)- 28.0	16.2
Total Boys' and Teens'	(40.0)- 2.7	(17.2)	____	(58.2)- 1.3	(11.7)	(40.0)- 2.7	(19.4)
MEN'S AND BOYS' SHOES							
570–595	(13.2)- 9.1	.4	____	(12.8)- 18.2	.1	(14.2)- 5.8	1.4
WOMEN'S WEAR							
600–699 Misses	(3.0)- 17.0	4.6	____	NA	NA	(3.0)- 17.0	4.6
700–773 Junior	NA	NA	____	NA	NA	NA	NA
Total Women's Wear	(3.1)- 48.1	4.6	____	NA	NA	(3.1) - 48.1	4.6
WESTERN WEAR							
810–890	(35.9)- 168.8	(8.1)	____	NA	NA	(35.9)- 168.8	(8.1)
OVERALL TOTAL	(5.0)- 7.2	.2	____	(5.9)- 12.0	(.3)	(4.4) - 5.8	.2

*For each merchandise classification, only those stores reporting that classification are included in the tabulation. Overall total reflects median experience of firms providing detailed data by class only.

ALL FIRMS OPERATING EXPERIENCES

1985 MARKDOWNS AS A PERCENTAGE OF MERCHANDISE CLASSIFICATION SALES*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (51 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (20 Firms)		FIRMS HANDLING WOMEN'S WEAR (31 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	12.4-26.4	16.5	____ %	13.4-26.9	17.7	10.4-24.4	15.3
040 Men's Coats	9.7-23.9	15.6	____	8.9-26.9	15.5	9.5-22.4	15.6
060 Sport Coats	10.3-23.1	14.8	____	10.0-24.4	16.1	10.7-22.4	14.2
080 Dress Slacks	7.7-16.2	11.5	____	7.0-16.9	9.9	8.4-15.5	12.2
Total Men's Clothing	11.5-24.2	14.8	____	11.8-25.2	14.3	11.4-20.8	15.3
MEN'S SPORTSWEAR							
100 Sport Shirts	10.7-23.2	16.4	____	10.7-25.0	16.2	11.1-23.2	16.4
130 Sweaters	10.9-20.7	15.0	____	8.7-19.9	14.0	12.7-20.7	15.2
150 Actionwear	11.0-24.7	17.4	____	14.7-25.7	20.4	10.2-24.7	15.2
180 Casual Slacks	8.8-18.3	13.5	____	8.8-17.2	13.6	9.2-20.3	13.4
200 Jeans	9.6-19.7	13.4	____	7.1-17.9	9.6	10.3-28.4	15.0
220 Jackets & Heavy Outerwear	13.3-28.9	19.0	____	10.0-28.1	15.3	14.6-29.8	20.1
240 Coordinated Leisurewear	11.7-27.3	20.2	____	7.6-27.3	22.5	14.2-29.4	18.6
Total Men's Sportswear	13.0-22.4	16.5	____	12.4-24.1	17.3	13.0-21.0	16.5
MEN'S FURNISHINGS							
260 Dress Shirts	7.4-16.8	10.2	____	7.4-16.9	10.3	7.4-16.6	9.6
290 Neckwear	6.5-14.3	8.9	____	6.4-13.7	8.7	6.3-18.5	9.4
300 Hosiery	1.8- 7.6	5.0	____	1.6- 8.7	5.4	1.8- 7.5	4.2
310 Men's Belts	1.8-10.3	4.5	____	2.5-10.2	4.0	1.7-10.7	4.6
320 Men's Accessories	3.8-13.1	9.0	____	3.6-12.1	8.3	4.1-13.8	9.8
340 Underwear	1.6- 8.2	4.6	____	2.7-20.6	3.8	1.5- 7.8	4.8
360 Sleepwear	3.6-15.1	10.0	____	3.7-19.0	6.7	3.4-15.1	11.8
380 Men's Headwear	5.2-22.2	11.7	____	4.4-22.2	8.5	6.3-21.9	13.4
Total Men's Furnishings	6.4-13.7	9.4	____	6.9-13.2	10.4	6.4-14.6	9.4
BOYS' AND TEENS'							
400–440 Clothing	9.6-31.0	16.2	____	NA	NA	8.1-19.0	13.9
450–510 Sportswear	18.8-32.4	26.9	____	NA	NA	17.0-32.3	24.9
520–560 Furnishings	7.5-23.5	15.8	____	NA	NA	6.6-19.6	13.8
Total Boys' and Teens'	12.9-32.1	22.9	____	NA	NA	10.8-31.3	20.2
MEN'S AND BOYS' SHOES							
570–595	10.6-21.5	13.3	____	11.7-23.3	21.4	9.1-19.4	12.6
WOMEN'S WEAR							
600–699 Misses	18.3-30.3	23.5	____	NA	NA	18.3-30.3	23.5
700–773 Junior	NA	NA	____	NA	NA	NA	NA
Total Women's Wear	18.6-30.7	23.5	____	NA	NA	18.6-30.7	23.5
WESTERN WEAR							
810–890	11.9-26.2	14.1	____	NA	NA	NA	NA
OVERALL TOTAL	12.1-20.3	16.6	____	11.2-21.9	15.4	13.1-20.0	17.1

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1985 AVERAGE INVENTORY BY MERCHANDISE CLASSIFICATION AS A PERCENTAGE OF TOTAL AVERAGE INVENTORY*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (36 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (13 Firms)		FIRMS HANDLING WOMEN'S WEAR (23 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	13.4-25.6	21.9	____%	19.7-25.3	23.2	11.6-27.3	18.1
040 Men's Coats	.9- 3.4	1.9	____	.9- 3.9	1.7	1.0- 2.9	1.9
060 Sport Coats	8.7-18.5	14.8	____	14.8-23.4	18.4	7.8-15.2	11.4
080 Dress Slacks	5.2-10.2	7.9	____	8.8-11.6	9.4	4.1- 8.2	6.2
Total Men's Clothing	33.2-59.2	46.9	____	46.1-62.8	52.6	24.4-54.3	37.9
MEN'S SPORTSWEAR							
100 Sport Shirts	3.4- 8.3	5.4	____	5.5- 9.4	7.2	2.4- 6.8	4.6
130 Sweaters	2.6- 4.2	3.2	____	3.0- 5.5	4.1	2.4- 3.8	2.9
150 Actionwear	.7- 2.1	1.2	____	.7- 2.2	1.5	.7- 2.6	1.0
180 Casual Slacks	1.4- 4.4	3.0	____	2.2- 6.0	3.3	1.0- 4.3	2.8
200 Jeans	.8- 4.7	2.1	____	.9- 7.8	2.7	.8- 3.1	1.9
220 Jackets & Heavy Outerwear	1.3- 4.7	3.0	____	2.6- 5.1	3.3	1.2- 4.4	2.2
240 Coordinated Leisurewear	.2- 2.0	.8	____	.2- 3.1	.8	.4- 2.4	.9
Total Men's Sportswear	10.8-28.9	16.5	____	14.0-29.6	22.2	9.1-24.4	15.7
MEN'S FURNISHINGS							
260 Dress Shirts	4.5- 9.0	6.3	____	6.1-12.4	9.1	3.8- 8.1	5.3
290 Neckwear	2.4- 4.4	3.3	____	2.5- 4.6	3.6	2.4- 4.3	3.3
300 Hosiery	.5- 1.2	.9	____	.5- 1.5	.9	.5- 1.1	.7
310 Men's Belts	.6- 1.6	1.0	____	.6- 1.8	1.2	.6- 1.5	.9
320 Men's Accessories	1.5- 3.6	2.3	____	1.8- 4.7	2.7	1.4- 3.6	2.1
340 Underwear	.6- 1.8	1.1	____	.8- 2.6	1.1	.6- 1.8	1.0
360 Sleepwear	.4- 1.0	.6	____	.5- 1.7	.9	.3- 1.0	.6
380 Men's Headwear	.2- .7	.4	____	.2- .7	.5	.2- .7	.4
Total Men's Furnishings	12.2-21.3	16.8	____	16.0-23.5	19.6	10.8-20.4	13.6
BOYS' AND TEENS'							
400–440 Clothing	1.0- 8.3	2.9	____	NA	NA	1.0- 8.3	2.9
450–510 Sportswear	1.0- 4.7	1.5	____	NA	NA	1.0- 4.7	1.5
520–560 Furnishings	.4- 5.6	1.3	____	NA	NA	NA	NA
Total Boys' and Teens'	.5- 6.5	1.7	____	NA	NA	1.0- 6.5	1.9
MEN'S AND BOYS' SHOES							
570–595	2.9- 7.0	5.3	____	.9- 5.6	5.4	2.9- 7.3	4.2
WOMEN'S WEAR							
600–699 Misses	8.2-25.4	13.1	____	NA	NA	8.2-25.4	13.1
700–773 Junior	NA	NA	____	NA	NA	NA	NA
Total Women's Wear	5.0-26.0	12.0	____	NA	NA	5.0-26.0	12.0
WESTERN WEAR							
810–890	NA	NA	____	NA	NA	NA	NA
OVERALL TOTAL		100.0	____		100.0		100.0

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.

ALL FIRMS OPERATING EXPERIENCES

1985 INVENTORY TURNOVER BY MERCHANDISE CLASSIFICATION*

(Classification Numbers, 010-890, are taken from MRA's Financial & Operations Group "Menswear Basic Management Accounting Manual.")	ALL FIRMS (36 Firms)		YOUR FIRM	FIRMS HANDLING MEN'S WEAR ONLY (13 Firms)		FIRMS HANDLING WOMEN'S WEAR (23 Firms)	
	Range of Common Experience	Median Firm		Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
MEN'S CLOTHING							
010 Men's Suits	1.0-1.9	1.5	____ %	1.3-2.1	1.8	1.0-1.6	1.2
040 Men's Coats	1.4-2.3	1.8	____	1.5-2.5	1.9	1.3-2.2	1.7
060 Sport Coats	1.3-2.0	1.6	____	1.6-2.1	1.8	1.2-1.7	1.4
080 Dress Slacks	1.4-2.5	1.9	____	1.8-2.5	2.5	1.3-2.5	1.8
Total Men's Clothing	1.2-2.0	1.6	____	1.6-2.2	1.9	1.1-1.8	1.4
MEN'S SPORTSWEAR							
100 Sport Shirts	2.1-3.2	2.7	____	2.7-3.9	2.9	2.0-3.1	2.5
130 Sweaters	1.8-2.7	2.3	____	2.0-2.9	2.5	1.7-2.7	2.1
150 Actionwear	1.7-3.1	2.2	____	2.7-3.6	3.4	1.7-2.5	2.2
180 Casual Slacks	1.6-2.9	2.2	____	1.8-3.4	2.6	1.5-2.8	2.0
200 Jeans	1.4-2.4	2.0	____	1.7-2.2	2.0	1.3-2.8	1.9
220 Jackets & Heavy Outerwear	1.5-2.7	2.0	____	2.0-3.5	2.5	1.5-2.3	1.6
240 Coordinated Leisurewear	1.6-3.6	2.8	____	2.0-3.2	2.8	1.5-3.9	2.2
Total Men's Sportswear	1.8-2.8	2.3	____	2.4-3.2	2.7	1.7-2.5	2.2
MEN'S FURNISHINGS							
260 Dress Shirts	1.4-2.4	1.7	____	1.4-2.6	1.8	1.3-2.3	1.7
290 Neckwear	1.9-2.9	2.4	____	2.4-3.1	2.8	1.8-2.5	2.1
300 Hosiery	1.5-2.7	2.1	____	1.5-2.8	2.3	1.6-2.6	2.1
310 Men's Belts	1.1-2.3	1.7	____	1.5-2.7	1.9	1.0-1.9	1.5
320 Men's Accessories	1.1-2.2	1.6	____	1.4-2.4	2.0	1.1-2.1	1.4
340 Underwear	1.0-2.0	1.6	____	1.1-2.3	1.7	1.0-1.9	1.5
360 Sleepwear	.9-2.1	1.6	____	1.4-2.0	1.7	.9-2.3	1.6
380 Men's Headwear	1.1-2.6	1.8	____	1.5-2.6	2.0	1.0-2.6	1.8
Total Men's Furnishings	1.5-2.3	1.9	____	1.7-2.4	2.0	1.2-2.1	1.8
BOYS' AND TEENS'							
400–440 Clothing	.7-1.7	1.4	____	NA	NA	.7-1.7	1.4
450–510 Sportswear	1.5-3.3	1.9	____	NA	NA	1.5-3.3	1.9
520–560 Furnishings	1.5-5.5	2.2	____	NA	NA	NA	NA
Total Boys' and Teens'	.5-4.3	1.7	____	NA	NA	.5-3.1	1.6
MEN'S AND BOYS' SHOES							
570–595	1.1-2.0	1.4	____	1.1-2.2	1.5	.9-2.0	1.3
WOMEN'S WEAR							
600–699 Misses	1.8-3.3	2.4	____	NA	NA	1.8-3.3	2.4
700–773 Junior	NA	NA	____	NA	NA	NA	NA
Total Women's Wear	1.7-2.9	2.3	____	NA	NA	1.7-2.9	2.3
WESTERN WEAR							
810–890	NA	NA	____	NA	NA	NA	NA
OVERALL TOTAL	1.6-2.3	2.0	____	1.9-2.5	2.3	1.5-2.2	1.8

*For each merchandise classification, only those stores reporting that classification are included in the tabulation.
Inventory turnover is the number of times during a given period, in this case one year, that the average inventory on hand at retail has been sold and replaced. The rate of turnover is computed by dividing net sales by average retail inventory.

BEGINNING OF THE MONTH STOCK TO SALES RATIO

The following stock to sales ratios represent industry experiences for 1985. *Caution, however, should be exercised in using these figures as a guideline in projecting monthly inventory needs.* These industry ratios do not necessarily represent monthly inventory needs which will yield the highest inventory turnover and greatest profit.

ALL FIRMS OPERATING EXPENSES
1985 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

	ALL FIRMS Distribution of Sales by Month (90 Firms)			ALL FIRMS Beginning of the Month Stock to Sales Ratio (72 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM
FEBRUARY	5.0- 6.5	5.6	_____	6.5-10.9	8.1	_____
MARCH	5.8- 7.7	6.8	_____	5.5-10.0	7.3	_____
APRIL	6.8- 8.5	7.5	_____	5.6- 9.7	7.0	_____
MAY	6.9- 8.2	7.5	_____	5.9-10.1	7.1	_____
JUNE	7.3- 9.7	8.4	_____	5.0- 8.6	6.3	_____
JULY	5.9- 8.6	7.1	_____	5.3- 9.0	6.9	_____
AUGUST	5.8- 7.3	6.4	_____	6.2-10.7	7.7	_____
SEPTEMBER	6.0- 7.9	6.9	_____	5.6-10.5	8.2	_____
OCTOBER	7.2- 8.9	8.0	_____	6.0- 9.6	7.7	_____
NOVEMBER	8.5-10.2	9.4	_____	5.8- 8.7	7.1	_____
DECEMBER	14.1-18.7	16.7	_____	3.2- 5.1	3.9	_____
JANUARY	6.1- 8.7	7.7	_____	5.3-10.1	7.5	_____
TOTAL		100.0%	100.0%			

1985 BEGINNING OF THE MONTH STOCK TO SALES RATIO*

	FIRMS HANDLING MEN'S WEAR ONLY						FIRMS HANDLING WOMEN'S WEAR			
	Distribution of Sales by Month (40 Firms)		Beginning of the Month Stock to Sales Ratio (28 Firms)		YOUR FIRM		Distribution of Sales by Month (50 Firms)		Beginning of the Month Stock to Sales Ratio (44 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Sales	Stock to Sales Ratio	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
FEBRUARY	5.0- 6.3	5.5	6.8-11.6	8.3	____ %	_____	5.0- 6.7	5.7	6.3-10.7	8.0
MARCH	5.8- 7.3	6.6	5.5-12.1	6.8	_____	_____	5.9- 7.9	6.8	5.4- 9.8	7.5
APRIL	6.8- 8.4	7.5	5.7- 9.8	7.0	_____	_____	6.9- 8.7	7.5	5.4- 9.7	7.4
MAY	7.3- 9.2	7.9	5.5-10.4	6.7	_____	_____	6.6- 7.8	7.3	6.1-10.1	7.5
JUNE	7.7- 9.9	8.8	4.9- 9.6	6.3	_____	_____	6.9- 9.0	8.1	5.0- 8.3	6.3
JULY	5.7- 8.7	7.1	6.0-10.3	6.9	_____	_____	6.4- 8.5	7.2	5.2- 8.8	7.0
AUGUST	5.6- 7.2	6.4	6.8-12.7	8.8	_____	_____	5.9- 7.3	6.4	5.7-10.1	7.0
SEPTEMBER	6.0- 7.2	6.4	6.4-12.9	8.4	_____	_____	6.2- 8.8	7.2	5.0-10.2	7.3
OCTOBER	6.8- 8.9	8.0	6.7-10.4	8.3	_____	_____	7.5- 8.9	8.0	5.8- 9.2	7.6
NOVEMBER	9.0-10.4	9.7	5.4- 9.6	6.7	_____	_____	8.3-10.0	9.2	5.9- 8.4	7.3
DECEMBER	14.3-18.7	16.7	3.3- 5.7	3.9	_____	_____	14.0-18.8	16.8	3.1- 4.9	3.9
JANUARY	6.0- 9.0	8.0	4.9-10.9	8.2	_____	_____	6.3- 8.5	7.5	5.5- 9.2	7.3
TOTAL		100.0%			100.0%			100.0%		

*The ratio of retail stock at beginning of the month to sales for the month.

HOW MEN'S WEAR FIRMS SPEND THEIR ADVERTISING DOLLARS

Advertising expenditures accounted for 3.4 percent of net sales in 1985, up three-tenths of a percent from 1984. From 1980 through 1985, advertising expenditures as a percent of net sales have changed very little, fluctuating only a half percent over the last six years.

However, an analysis of how men's wear firms spend their advertising dollars continues to show changes in the media mix being used to reach customers.

TV time, as a percent of total advertising, doubled in 1984 over 1983 and nearly doubled again in 1985. These expenditures reached 18.3 percent of total dollars available in 1985, compared with 10.3 percent in 1984 and 5.5 percent in 1983. Firms handling women's wear increased their expenditures on TV time to 32.1 percent in 1985, compared with 9.8 percent in 1984 and 3.9 percent in 1983. Firms handling men's wear only allocated 17.0 percent of their advertising budget to TV in 1985, compared with 13.8 percent in 1984 and 5.6 percent in 1983.

It would appear that firms are moving this money to TV less from newspapers than from radio. Newspaper expenditures in 1985 reached a median 43.3 percent of total advertising dollars, down 1.9 percentage points from the 45.2 percent allocation of 1984. Firms handling men's wear only increased their newspaper budgets to 49.4 percent of the total budget from 43.8 percent in 1984. Firms handling women's wear decreased the use of newspaper space significantly to 35.2 percent of advertising dollars from 45.3 in 1984.

Total radio time declined by one-third to 14.1 percent of total advertising dollars in 1985 from 21.1 percent in 1984. Firms handling men's wear only decreased radio expenditures to 17.4 percent of total dollars from 24.3 percent in 1984, and firms handling women's wear dropped radio time to 13.8 percent of their advertising from 18.5 percent in 1984.

Direct mail expenditures increased somewhat in 1985 to 12.3 percent of advertising dollars, compared with 11.1 percent in 1984.

Advertising payroll costs as a percentage of advertising dollars declined slightly to 9.3 percent from 10.4 in 1984 and other advertising costs were about even.

Cooperative advertising funds as a percent of gross publicity costs increased for firms in Groups III and IV and declined significantly for Group V firms. Firms in the largest volume category retrieved only 5.8 percent of their advertising costs from co-op funds in 1985, compared with 9.7 percent in 1984. On a metropolitan size basis, use of co-op ad funds declined in all categories.

ALL FIRMS ADVERTISING EXPENDITURES AS A PERCENT OF TOTAL ADVERTISING EXPENSE

	ALL FIRMS (80 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (39 Firms)		FIRMS HANDLING WOMEN'S WEAR (41 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
Total Newspaper Space	25.8-60.5	43.3	_____	33.4-75.4	49.4	23.3-51.3	35.2
Total Radio Time	5.7-30.2	14.1	_____	6.7-38.4	17.4	5.1-24.6	13.8
Total TV Time	2.7-40.0	18.3	_____	2.3-24.9	17.0	6.9-42.2	32.1
Direct Mail	6.3-25.2	12.3	_____	4.7-22.2	11.1	7.8-27.5	12.3
Advertising Payroll	4.8-14.4	9.3	_____	4.3-13.7	7.4	5.5-15.4	10.0
Other Advertising Costs	6.2-23.3	14.0	_____	4.7-21.6	12.3	8.7-26.5	14.6

ALL FIRMS

1985 COMPOSITE OPERATING STATEMENT

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. ("EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA's FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL.")	ALL FIRMS (157 Firms)			FIRMS HANDLING MEN'S WEAR ONLY (75 Firms)		FIRMS HANDLING WOMEN'S WEAR (78 Firms)	
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)							
1. Ending inventory at cost	19.5-33.9	25.6	____ %	21.1-39.6	27.7	18.0-30.6	24.3
2. Total cost of merchandise sold	53.0-59.0	55.7	_____	52.9-57.5	55.5	53.4-59.7	56.3
3. Gross margin, excluding leased department income and sales	41.0-47.0	44.3	_____	42.5-47.1	44.5	40.3-46.6	43.7
4. Income from leased departments	.9- 2.3	1.3	_____	.7- 1.8	1.1	.9- 2.6	1.6
5. Gross margin, including income from leased departments, as a percent of total net sales	41.2-47.4	44.4	_____	42.6-47.4	44.7	40.8-46.9	44.0
Expense Div. No.*							
6. 00 Net Alteration Cost							
a. Alterations payroll	1.8- 3.7	2.6	_____	1.9- 4.0	2.8	1.8- 3.5	2.5
b. All other workroom expenses	.1- .5	.2	_____	.1- .9	.2	.1- .4	.2
c. Less: Alteration Income	.2- .8	.4	_____	.3- .7	.4	.2- .9	.3
d. Net Alterations Costs (line a plus line b, minus line c)	1.4- 3.2	2.4	_____	1.3- 3.2	2.5	1.4- 3.3	2.3
7. 01 Payroll (total)	13.4-24.0	18.1	_____	14.4-25.3	19.2	13.0-23.4	17.3
a. Payroll of owners and officers	4.0- 8.2	5.8	_____	5.1- 9.0	6.6	3.4- 7.8	5.3
b. Selling payroll (includes commissions & "spiffs")	7.6-11.0	9.5	_____	7.6-11.3	9.7	7.7-10.7	9.2
c. Non-selling payroll (excludes workroom & advertising payroll)	1.7- 4.8	2.9	_____	1.7- 5.0	3.0	1.9- 4.8	2.8
8. 03 Advertising	2.5- 4.8	3.4	_____	2.4- 4.9	3.4	2.8- 4.7	3.5

9. 04	**Taxes (total)**	1.6- 2.5	2.0	———	1.7- 2.6	2.0	1.6- 2.4	2.0
	a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.2- .8	.4	———	.1- .8	.5	.3- .8	.4
	b. Social security and unemployment taxes	1.4- 2.0	1.7	———	1.4- 2.2	1.8	1.4- 1.9	1.7
10. 06	Supplies	1.7- 3.8	2.5	———	1.7- 3.9	2.6	1.7- 3.7	2.5
	a. Wrapping and packing supplies	.6- 1.3	.9	———	.5- 1.2	.8	.6- 1.3	.9
	b. Other supplies (cleaning, stationery)	.2- .8	.4	———	.3- .9	.5	.2- .6	.4
	c. Utilities (heat, light, water, sewer, etc.)	.9- 1.8	1.3	———	1.0- 1.8	1.4	.8- 1.7	1.2
11. 07	Services Purchased (Total)	1.0- 4.3	2.6	———	1.3- 4.1	2.8	1.1- 4.6	2.4
	a. Accounts receivable factoring charges	.2- 1.8	1.0	———	.6- 1.8	1.4	.2- 1.9	.7
	b. Data processing/service bureau charges	.3- .9	.7	———	.3- .8	.5	.4- .9	.7
	c. Credit card service fees	.3- .8	.5	———	.3- .7	.5	.3- .9	.6
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.2- .9	.4	———	.2- .8	.4	.2- .9	.4
12. 08	Unclassified (cash shortages; want ads, dues & subscriptions, employee prizes, etc.)	.3- 1.0	.6	———	.3- 1.3	.6	.3- .9	.6
13. 09	Traveling	.3- 1.0	.5	———	.3- .8	.5	.3- 1.1	.6
14. 10	Communications	.4- .8	.6	———	.4- .8	.6	.4- .8	.6
15. 11	Pensions	.4- 1.9	.7	———	.4- 2.8	1.1	.3- 1.4	.6
16. 12	Insurance (total)	1.2- 2.4	1.7	———	1.1- 2.5	1.8	1.1- 2.3	1.5
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 1.5	1.1	———	.7- 1.5	1.2	.8- 1.5	1.0
	b. All other insurance premiums	.4- .9	.6	———	.4- 1.0	.6	.3- .8	.5
17. 13	Depreciation (total)	.6- 1.7	1.1	———	.4- 1.4	.9	.8- 2.0	1.4
18. 14	Professional services	.3- .7	.4	———	.3- .8	.4	.3- .7	.5
19. 15	Donations	.1- .2	.1	———	.1- .2	.1	.1- .2	.1
20. 16	Bad Debts	.1- .4	.2	———	.1- .3	.2	.1- .4	.2
21. 17	Equipment costs	.3- .8	.5	———	.3- .9	.5	.3- .8	.5
22. 20	Real property rentals	2.7- 5.7	4.1	———	2.5- 5.3	4.0	2.8- 6.1	4.4
23.	Total expenses	37.5-45.8	42.0	———	37.6-46.0	42.2	37.1-45.6	41.6
	NET GAIN (Percent of total net sales, except as noted.)							
24.	Operating profit, including income from leased departments	(.1)- 5.4	2.5	———	0- 6.1	2.7	(.2)- 4.4	2.4
25.	a. Interest income	.4- 2.0	1.0	———	.4- 2.2	.8	.6- 1.8	1.1
	b. Net other income	.2- 1.1	.6	———	.2- 2.0	.7	.2- .9	.4
	c. Interest expenses	.6- 2.6	1.3	———	.5- 2.4	1.2	.7- 2.6	1.3
	d. Net other expenses	.1- .9	.3	———	.1- .7	.4	.1- 2.0	.3
26.	Net profit, before Federal income taxes	.4- 5.3	2.2	———	.2- 6.6	2.5	.5- 4.8	1.9

ALL FIRMS OPERATING EXPERIENCES

1985 MONTHLY SALES PUBLICITY RATIO

	ALL FIRMS Distribution of Sales by Month (90 Firms)			ALL FIRMS Publicity Cost as a Percent of Monthly Sales (72 Firms)			ALL FIRMS Distribution of Publicity Cost by Month (73 Firms)		
	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM	Range of Common Experience	Median Firm	YOUR FIRM
FEBRUARY	5.0- 6.5	5.6	____%	1.9- 5.0	3.4	____%	3.6- 8.1	5.9	____%
MARCH	5.8- 7.7	6.8	____	2.2- 4.7	3.5	____	4.8- 9.0	6.8	____
APRIL	6.8- 8.5	7.5	____	2.0- 5.2	3.3	____	5.1- 9.5	6.9	____
MAY	6.9- 8.2	7.5	____	2.0- 4.4	3.2	____	4.9- 9.4	6.7	____
JUNE	7.3- 9.7	8.4	____	2.1- 4.5	3.0	____	5.4-10.0	8.0	____
JULY	5.9- 8.6	7.1	____	1.9- 4.7	3.2	____	4.5- 9.4	7.0	____
AUGUST	5.8- 7.3	6.4	____	2.3- 5.4	3.6	____	4.9- 9.2	7.3	____
SEPTEMBER	6.0- 7.9	6.9	____	2.2- 5.1	4.0	____	5.2- 8.9	7.4	____
OCTOBER	7.2- 8.9	8.0	____	2.2- 5.4	3.8	____	6.5-11.5	8.4	____
NOVEMBER	8.5-10.2	9.4	____	2.8- 5.5	3.9	____	9.2-13.8	11.2	____
DECEMBER	14.1-18.7	16.7	____	1.8- 3.5	2.4	____	9.0-16.2	11.4	____
JANUARY	6.1- 8.7	7.7	____	2.3- 5.9	3.7	____	5.4-12.5	9.8	____
TOTAL		100.0%	100.0%					100.0%	100.0%

1985 MONTHLY SALES PUBLICITY RATIO

	FIRMS HANDLING MEN'S WEAR ONLY						YOUR FIRM			FIRMS HANDLING WOMEN'S WEAR					
	Distribution of Sales by Month (40 Firms)		Publicity Cost as a Percent of Monthly Sales (30 Firms)		Distribution of Publicity Cost by Month (31 Firms)					Distribution of Sales by Month (50 Firms)		Publicity Cost as a Percent of Monthly Sales (42 Firms)		Distribution of Publicity Cost by Month (42 Firms)	
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Sales	Publicity	Publicity % Sales	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm
FEBRUARY	5.0- 6.3	5.5	2.3- 5.7	3.6	3.7-10.1	6.5	____%	____%	____%	5.0- 6.7	5.7	1.6- 4.6	3.1	3.2- 7.7	5.0
MARCH	5.8- 7.3	6.6	2.3- 5.7	4.3	5.4-10.3	8.2	____	____	____	5.9- 7.9	6.8	2.0- 4.6	3.1	3.4- 8.0	6.1
APRIL	6.8- 8.4	7.5	1.6- 4.2	2.6	4.1- 8.3	6.4	____	____	____	6.9- 8.7	7.5	2.0- 5.3	3.5	5.6- 9.9	7.4
MAY	7.3- 9.2	7.9	1.9- 4.1	3.0	4.6-10.5	6.7	____	____	____	6.6- 7.8	7.3	2.0- 4.9	3.3	5.1- 9.1	6.8
JUNE	7.7- 9.9	8.8	2.2- 4.4	3.7	5.6-11.1	8.6	____	____	____	6.9- 9.0	8.1	2.0- 4.6	2.9	4.6- 9.3	7.4
JULY	5.7- 8.7	7.1	1.8- 5.1	3.1	4.2- 9.5	6.2	____	____	____	6.4- 8.5	7.2	1.9- 4.7	3.3	5.2- 9.9	7.1
AUGUST	5.6- 7.2	6.4	2.3- 7.2	4.5	5.7-10.1	7.7	____	____	____	5.9- 7.3	6.4	1.9- 4.6	3.0	4.6- 8.9	6.2
SEPTEMBER	6.0- 7.2	6.4	2.2- 5.0	3.3	5.0- 8.2	7.1	____	____	____	6.2- 8.8	7.2	2.3- 5.2	4.2	5.3-10.2	8.0
OCTOBER	6.8- 8.9	8.0	1.9- 5.0	3.0	5.5- 9.2	7.7	____	____	____	7.5- 8.9	8.0	2.6- 5.6	4.1	7.3-12.8	10.5
NOVEMBER	9.0-10.4	9.7	2.9- 6.1	4.6	9.3-14.1	11.6	____	____	____	8.3-10.0	9.2	2.6- 5.5	3.9	8.8-13.7	10.8
DECEMBER	14.3-18.7	16.7	1.6- 3.6	2.2	8.0-15.2	10.9	____	____	____	14.0-18.8	16.8	1.9- 3.8	2.6	9.4-17.2	11.8
JANUARY	6.0- 9.0	8.0	1.9- 7.1	3.4	4.9-13.6	9.8	____	____	____	6.3- 8.5	7.5	2.3- 5.8	4.0	5.6-12.3	9.5
TOTAL		100.0%				100.0%					100%				100.0%

1985 REPORT BY FIRM VOLUME
(Under $500,000)

Group I firms posted a 1.4 percent increase in sales volume for 1985, following a 2.9 percent increase in 1984 and 5.4 percent gain in 1983. Their net profit performance bettered that of the industry at 2.5 percent of sales compared with 2.2 percent in 1984, and gross margin increased to a median 44.3 percent of sales against 41.0 percent in 1984.

Group II firms reported a sales increase for 1985 of 2.0 percent over 1984 levels and continued to show a strong net profit of 4.3 percent of sales in 1985, compared with 6.8 percent of sales in 1984.

Expenses for Group I firms rose significantly to 42.7 percent of sales from 37.9 percent in 1984. Group II firms reported a slight decline in gross margin to 42.8 percent of sales from 43.5 percent in 1984, and improved inventory turnover to a 2.5 times turn from the 1.8 times turn of 1984.

COMPARISON OF 1984 AND 1985 KEY FIGURES

SALES VOLUME INCREASE

	GROUP	1985 Median	1984 Median	YOUR FIRM
I	(Under $300,000)	1.4%	2.9%	_____%
II	($300,000 to $499,999)	2.0%	2.0%	_____%

TOTAL EXPENSES

	GROUP	1985 Median	1984 Median	YOUR FIRM
I	(Under $300,000)	42.7%	37.9%	_____%
II	($300,000 to $499,999)	37.8%	37.2%	_____%

NET PROFIT

	GROUP	1985 Median	1984 Median	YOUR FIRM
I	(Under $300,000)	2.5%	2.2%	_____%
II	($300,000 to $499,999)	4.3%	6.8%	_____%

GROSS MARGIN

	GROUP	1985 Median	1984 Median	YOUR FIRM
I	(Under $300,000)	44.3%	41.0%	_____%
II	($300,000 to $499,999)	42.8%	43.5%	_____%

INVENTORY TURNOVER

	GROUP	1985 Median	1984 Median	YOUR FIRM
I	(Under $300,000)	NA	1.5	_____
II	($300,000 to $499,999)	2.5	1.8	_____

1985 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

	GROUP	Range of Common Experience	Median
I	(Under $300,000)	NA	NA
II	($300,000 to $499,999)	NA	NA

1985 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA's FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	GROUP I FIRMS ANNUAL SALES under $300,000 (21 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (24 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)					
1. Ending inventory at cost	30.4 -52.8	40.6	21.3-38.7	28.9	____%
2. Total cost of merchandise sold	52.8 -63.5	55.8	55.2-61.8	57.4	____
3. Gross margin, excluding leased department income and sales	36.5 -47.2	44.3	38.2-44.8	42.6	____
4. Income from leased departments	NA	NA	NA	NA	____
5. Gross margin, including income from leased departments, as a percent of total net sales	36.5 -47.2	44.3	39.4-44.8	42.8	____
Expense Div. No.*					
6. 00 Net Alteration Cost					
a. Alterations payroll	.7 - 4.5	2.1	1.3- 3.4	2.4	____
b. All other workroom expenses	.3 - 2.5	.4	.2- 1.5	.2	____
c. Less: Alteration Income	.1 - .6	.3	.4- 1.7	1.1	____
d. Net Alterations Costs (line a plus line b, minus line c)	.6 - 3.3	2.2	1.1- 2.9	2.1	____
7. 01 Payroll (total)	12.3 -30.1	22.2	12.4-23.7	17.5	____
a. Payroll of owners and officers	4.6 -13.9	10.2	5.4-10.8	7.1	____
b. Selling payroll (includes commissions & "spiffs")	6.3 -12.6	10.0	6.1-10.9	8.9	____
c. Non-selling payroll (excludes workroom & advertising payroll)	1.5 - 3.5	1.9	.9- 2.1	1.6	____
8. 03 Advertising	2.1 - 4.8	3.0	2.4- 4.7	3.6	____
9. 04 Taxes (total)	1.5 - 2.3	2.0	1.7- 2.3	1.8	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.2 - 1.3	.6	.1- .8	.4	____
b. Social security and unemployment taxes	1.3 - 1.9	1.9	1.3- 1.8	1.6	____
10. 06 Supplies	2.1 - 4.2	2.9	1.9- 4.1	2.8	____
a. Wrapping and packing supplies	.6 - 1.2	.9	.7- 1.5	.9	____
b. Other supplies (cleaning, stationery)	.3 - .6	.4	.3- .9	.5	____
c. Utilities (heat, light, water, sewer, etc.)	1.2 - 2.4	1.6	.9- 1.7	1.3	____
11. 07 Services Purchased (Total)	NA	2.9	NA	1.4	____
a. Accounts receivable factoring charges	NA	NA	NA	NA	____
b. Data processing/service bureau charges	NA	NA	.3- .8	.6	____
c. Credit card service fees	.3 - .7	.5	.2- .6	.5	____
d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc	.2 - 1.0	.6	.1- .7	.3	____
12. 08 Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.3 - 1.2	.7	.3- 1.6	.7	____
13. 09 Traveling	.3 - 1.5	.4	.4- 1.0	.5	____
14. 10 Communications	.3 - .8	.7	.2- 1.0	.5	____
15. 11 Pensions	1.4 - 3.8	1.8	NA	NA	____
16. 12 Insurance (total)	1.3 - 4.8	2.6	.9- 2.1	1.5	____
a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.8 - 3.1	1.4	.6- 1.4	1.0	____
b. All other insurance premiums	.5 - 1.7	1.3	.3- .7	.5	____
17. 13 Depreciation (total)	.2 - 2.0	.7	.5- 1.5	.9	____
18. 14 Professional services	.3 - .9	.6	.3- .8	.5	____
19. 15 Donations	.1 - .2	.2	.1- .3	.2	____
20. 16 Bad Debts	0- .2	.1	0- .3	.1	____
21. 17 Equipment costs	.3 - .8	.5	.1- 1.1	.4	____
22. 20 Real property rentals	2.5 - 5.1	4.0	1.7- 4.9	3.4	____
23. Total expenses	32.1 -46.4	42.7	34.6-41.2	37.8	____
NET GAIN (Percent of total net sales, except as noted.)					
24. Operating profit, including income from leased departments	(2.4)- 5.9	2.8	3.1- 7.7	6.0	____
25. a. Interest income	.3 - .7	.6	.2- 1.1	.4	____
b. Net other income	.2 - 3.7	1.1	.1- 2.3	.8	____
c. Interest expenses	.7 - 7.1	2.1	.7- 3.5	1.4	____
d. Net other expenses	NA	NA	NA	NA	____
26. Net profit, before Federal income taxes	(3.7)- 7.1	2.5	1.8- 8.2	4.3	____

OPERATING EXPERIENCES BY FIRM VOLUME

1985 MERCHANDISING AND PRODUCTIVITY DATA

	GROUP I FIRMS ANNUAL SALES under $300,000 (21 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (24 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA					
Increase in total net sales from last year	(8.2)-13.3	1.4	(10.3)- 11.8	2.0	____%
Sales per square foot of total store area in dollars	63.6-100.0	77.3	91.3 -123.1	103.1	_____
SELLING AND ADVERTISING COST					
Selling payroll, percent of net sales excluding leased departments	6.3 -12.6	10.0	6.1 - 10.9	8.9	_____
Advertising percent of net sales excluding leased departments	2.1 - 4.8	3.0	2.4 - 4.7	3.6	_____
MERCHANDISING DATA					
Annual stock turn, number of times at retail	NA	NA	2.0 - 3.5	2.5	_____
Transportation in charges on goods purchased as a percent of net sales	.3 - 1.5	.7	.7 - 1.4	1.1	_____
Beginning 1985 inventory as a percent of 1984 sales	26.4 -52.2	33.6	20.6 - 39.7	30.7	_____
Ending 1985 inventory as a percent of 1985 sales	30.4 -52.8	40.6	21.3 - 38.7	28.9	_____
ALTERATION DATA AND COST					
Net workroom cost, percent of net sales excluding leased departments	.6 - 3.3	2.2	1.1 - 2.9	2.1	_____
Net alterations cost, percent of men's clothing sales	4.6 - 8.3	6.2	2.7 - 5.9	4.5	_____
Income from alterations, percent of net sales excluding leased departments	.1 - .6	.3	.4 - 1.7	1.1	_____
PROFIT AND FINANCIAL DATA					
Income from leased departments, percent of leased department sales	NA	NA	NA	NA	_____
Cash discounts earned as % of net sales	.3 - .9	.5	.5 - .8	.5	_____
Net profit on net sales	(3.7)- 7.1	2.5	1.8 - 8.2	4.3	_____
Net profit on net worth	(10.7)-25.7	5.5	6.0 - 35.8	18.1	_____
Net profit on net working capital	(11.2)-13.1	5.5	4.2 - 32.2	12.3	_____

1985 PRODUCTIVITY INFORMATION

BY FIRM VOLUME

	GROUP I FIRMS ANNUAL SALES under $300,000 (20 Firms)		GROUP II FIRMS ANNUAL SALES $300,000 to $499,999 (24 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Stock Turnover	NA	NA	2.0- 3.5	2.5	_____
Selling Area in Square Feet	1,507 -2,590	1,950	2,300-3,532	2,800	_____
Sales per square foot of selling area ($)	$83.8 -132.7	$108.2	$114.2-165.7	$128.1	_____
Cost of goods per square foot of selling area ($)	$49.2 - 73.8	$ 61.7	$ 62.1- 95.7	$ 73.7	_____
Gross Margin per square foot of selling area ($)	$33.4 - 58.6	$ 47.7	$ 47.3- 69.8	$ 55.6	_____
Operating Expenses per square foot of selling area ($)	$23.6 - 50.3	$ 46.7	$ 40.2- 59.2	$ 49.5	_____
Operating profit per square foot of selling area ($)	$(3.8)- 6.3	$ 2.4	$ 3.7- 9.7	$ 8.0	_____
Total area selling and non selling in square feet	2,350 -3,266	2,800	3,000-4,450	3,800	_____
Sales per square foot of total area ($)	$63.6 - 99.7	$ 77.3	$ 91.3-123.1	$103.1	_____
Cost of goods per square foot to total area ($)	$39.4 - 53.3	$ 46.8	$ 48.8- 70.0	$ 60.0	_____
Gross Margin per square foot of total area ($)	$21.6 - 47.5	$ 33.5	$ 38.2- 52.2	$ 44.7	_____
Operating Expenses per square foot of total area ($)	$18.3 - 41.6	$ 31.3	$ 32.8- 46.5	$ 38.0	_____
Operating profit per square foot of total area ($)	$(3.0)- 4.5	$ 1.9	$ 3.2- 7.5	$ 6.0	_____

1985 REPORT BY FIRM VOLUME
(Over $500,000)

Group IV firms experienced the biggest fluctuations in operating experiences for 1985, reporting a sales increase of only 1.1 percent compared with 4.8 percent in 1984. Total expenses rose to 45.3 percent of sales in 1985, compared with 41.9 percent in 1984, and net profit dropped to 1.3 percent of sales from the 2.3 percent level of 1984. Gross margin rose slightly to 45 percent in 1985 from 44.6 percent in 1984, and inventory turn improved slightly to 2.1 times from 2.0 the previous year.

On a 4.2 percent increase in sales volume, Group V firms turned in a net profit before Federal income taxes performance of 3.4 percent of sales, compared with a 2.5 percent net profit in 1984. Total 1985 expenses for Group V firms declined marginally to 45.8 percent from 45.7 percent in 1984. Gross margin remained fairly constant in 1985 at 46.1 percent of sales, and inventory turn dropped to 1.8 times from the 2.0 level of 1984.

Group III firms showed a median net profit of 2.3 percent of sales in 1985, less than the 3.9 percent net profit reported in 1984. Sales increased 2.9 percent in 1985 and inventory turn dropped to a 2.1 times rate from the 2.3 level of 1984. Expenses edged up to 40.5 percent of sales in 1985 from 38.8 percent in 1984. Gross margin held the line at 43.8 percent of sales in 1985 against 43.7 percent in 1984.

COMPARISON OF 1984 AND 1985 KEY FIGURES

SALES VOLUME INCREASE

GROUP		1985 Median	1984 Median	YOUR FIRM
III	($500,000 to $999,999)	2.9%	2.3%	_____%
IV	($1,000,000 to $3,499,999)	1.1%	4.8%	_____%
V	($3,500,000 and over)	4.2%	3.4%	_____%

TOTAL EXPENSES

GROUP		1985 Median	1984 Median	YOUR FIRM
III	($500,000 to $999,999)	40.5%	38.8%	_____%
IV	($1,000,000 to $3,499,999)	45.3%	41.9%	_____%
V	($3,500,000 and over)	45.0%	45.7%	_____%

NET PROFIT

GROUP		1985 Median	1984 Median	YOUR FIRM
III	($500,000 to $999,999)	2.3%	3.9%	_____%
IV	($1,000,000 to $3,499,999)	1.3%	2.3%	_____%
V	($3,500,000 and over)	3.4%	2.5%	_____%

1985 MERCHANDISING AND PRODUCTIVITY DATA

Ending 1985 inventory as a percent of sales for Group III firms continued to creep upward, moving to 27.6 percent of sales in 1985 from 26.6 percent of sales for 1984. Sales per square foot of total store area increased to $107.60 compared with $103.50 in 1984, and the median amount of selling space increased slightly from 4,475 to 5,000 square feet in 1985.

For Group IV firms, ending inventory as a percent of sales in 1985 moved down 1 percentage point to 21.9 percent. Sales per square foot of total store area declined to $157.10 in 1985 from $165.00 in 1984, and the median figure for total store area dropped from 11,641 in 1984 to 10,500 in 1985. Advertising expenditures as a percent of sales moved up from 3.4 percent in 1984 to 3.6 percent in 1985.

Group V firms reported sales per square foot of total area increased 26 percent in 1985, reaching $186.20 per square foot of total store area in 1985 versus $148.00 per square foot in 1984. The median amount of total store area also declined in 1985, moving down to 35,744 square feet from the 41,100 square feet reported in 1984. Ending inventory as a percent of 1985 sales continued to be above industry average performance, changing only slightly to 19.9 percent of sales at the end of 1985, compared with 19.6 percent of sales for 1984.

COMPARISON OF 1984 AND 1985 KEY FIGURES

GROSS MARGIN

GROUP		1985 Median	1984 Median	YOUR FIRM
III	($500,000 to $999,999)	43.8%	43.7%	_____%
IV	($1,000,000 to $3,499,999)	45.0%	44.6%	_____%
V	($3,500,000 and over)	46.1%	46.2%	_____%

INVENTORY TURNOVER

GROUP		1985 Median	1984 Median	YOUR FIRM
III	($500,000 to $999,999)	2.1	2.3	_____
IV	($1,000,000 to $3,499,999)	2.1	2.0	_____
V	($3,500,000 and over)	1.8	2.0	_____

1985 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENT OF GROSS PUBLICITY COST

GROUP		Range of Common Experience	Median
III	($500,000 to $999,999)	2.8- 8.4	4.0%
IV	($1,000,000 to $3,499,999)	1.9-20.1	6.2%
V	($3,500,000 and over)	2.8-10.1	5.8%

1985 COMPOSITE OPERATING STATEMENT BY FIRM VOLUME

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980.

(*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (45 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (38 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)							
1. Ending inventory at cost	20.4-39.3	27.6	17.3-28.1	21.9	16.6-24.7	20.0	____%
2. Total cost of merchandise sold	53.9-60.2	56.4	52.4-58.1	55.4	52.0-55.6	54.3	____
3. Gross margin, excluding leased department income and sales	39.8-46.1	43.6	41.9-47.7	44.6	44.4-48.0	45.7	____
4. Income from leased departments	NA	NA	1.0- 4.3	1.4	.7- 1.4	1.1	____
5. Gross margin, including income from leased departments, as a percent of total net sales	39.8-46.1	43.8	42.7-48.9	45.0	44.5-49.1	46.1	____
Expense Div. No.*							
6. 00 Net Alteration Cost							
a. Alterations payroll	1.7- 2.9	2.4	1.6- 3.7	2.9	2.4- 4.4	3.1	____
b. All other workroom expenses	.1- 1.2	.3	.1- .3	.2	.1- .4	.2	____
c. Less: Alteration Income	.3- .9	.4	.2- .7	.5	.1- .6	.3	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.3- 2.9	2.1	1.2- 3.1	2.3	2.3- 3.6	3.0	____
7. 01 Payroll (total)	14.1-22.9	18.6	14.4-23.0	17.9	12.8-22.5	17.3	____
a. Payroll of owners and officers	5.2- 8.2	6.7	3.6- 7.8	5.7	1.9- 4.5	3.3	____
b. Selling payroll (includes commissions & "spiffs")	7.3-11.2	9.4	8.8-10.9	9.5	7.8-10.9	9.1	____
c. Non-selling payroll	1.6- 3.5	2.6	2.0- 4.3	2.7	3.1- 7.1	5.0	____
8. 03 Advertising	2.2- 4.7	3.2	2.9- 5.0	3.6	2.7- 4.8	3.7	____
9. 04 Taxes (total)	1.5- 2.7	2.1	1.7- 2.6	2.1	1.8- 2.6	2.1	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .8	.5	.1- .7	.4	.2- .8	.5	____
b. Social security and unemployment taxes	1.5- 2.1	1.8	1.4- 2.1	1.7	1.6- 1.9	1.8	____
10. 06 Supplies	1.8- 4.1	2.9	1.7- 3.6	2.3	1.4- 3.8	2.3	____
a. Wrapping and packing supplies	.7- 1.5	1.1	.5- 1.3	.8	.5- 1.0	.8	____
b. Other supplies (cleaning, stationery)	.2- .8	.6	.2- .6	.3	.3- 1.0	.5	____
c. Utilities (heat, light, water, sewer, etc.)	.9- 1.8	1.3	1.0- 1.6	1.2	.7- 1.8	1.1	____
11. 07 Services Purchased (Total)	NA	2.0	1.2- 5.4	3.1	1.1- 4.6	2.6	____
a. Accounts receivable factoring charges	NA	NA	.3- 2.8	1.5	.2- 1.6	.9	____
b. Data processing/service bureau charges	.5- 1.1	.7	.4- 1.0	.6	.2- .8	.5	____
c. Credit card service fees	.3- .7	.4	.3- .9	.6	.5- 1.0	.7	____
d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.2- 1.0	.4	.2- .8	.4	.3- 1.2	.5	____
12. 08 Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.2- .9	.5	.3- 1.1	.7	.3- .9	.6	____
13. 09 Traveling	.3- .9	.6	.3- 1.2	.6	.3- .8	.5	____
14. 10 Communications	.5- .7	.6	.4- .8	.6	.4- .9	.6	____
15. 11 Pensions	.3- 2.0	.7	.6- 2.9	1.4	.3- .9	.6	____
16. 12 Insurance (total)	1.3- 2.9	2.0	1.1- 2.3	1.6	1.0- 2.0	1.3	____
a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.8- 1.9	1.2	.7- 1.4	1.1	.7- 1.4	.9	____
b. All other insurance premiums	.5- 1.0	.7	.4- .8	.6	.3- .6	.5	____
17. 13 Depreciation (total)	.6- 1.7	1.0	.7- 1.8	1.2	.9- 2.0	1.5	____
18. 14 Professional services	.2- .6	.4	.3- .8	.5	.2- .6	.3	____
19. 15 Donations	.1- .2	.1	.1- .2	.1	.1- .2	.1	____
20. 16 Bad Debts	.1- .5	.2	.1- .4	.2	.2- .5	.4	____
21. 17 Equipment costs	.3- .7	.5	.2- 1.0	.4	.3- .8	.5	____
22. 20 Real property rentals	2.1- 5.3	3.8	2.6- 5.7	4.5	3.9- 6.4	5.3	____
23. Total expenses	37.1-43.8	40.5	39.8-46.9	45.3	41.5-47.8	45.0	____
NET GAIN (Percent of total net sales, except as noted.)							
24. Operating profit, including income from leased departments	1.5- 5.1	2.5	(.3)- 3.5	1.2	(1.3)- 3.8	1.3	____
25. a. Interest income	.4- 1.9	1.0	.5- 1.6	1.2	1.1- 2.3	1.7	____
b. Net other income	.2- .9	.4	.2- 1.2	.7	.2- 1.0	.4	____
c. Interest expenses	.3- 2.6	.9	.8- 2.2	1.6	.4- 2.4	1.0	____
d. Net other expenses	.1- 1.4	.4	0- 2.1	.3	.1- .4	.3	____
26. Net profit, before Federal income taxes	.7- 5.8	2.3	.5- 2.8	1.3	.2- 4.7	3.4	____

OPERATING EXPERIENCES BY FIRM VOLUME

1985 MERCHANDISING AND PRODUCTIVITY DATA

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (45 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (38 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA							
Increase in total net sales from last year	(4.4)-10.6	2.9	(4.1)- 5.1	1.1	(3.5)-10.4	4.2	____%
Sales per square foot of total store area in dollars	$92.4-167.3	$107.6	$118.9-250.2	$157.1	$148.6-285.5	$186.2	____
SELLING AND ADVERTISING COST							
Selling payroll, percent of net sales excluding leased departments	7.3 -11.2	9.4	8.8 -10.9	9.5	7.8-10.9	9.1	____
Advertising percent of net sales excluding leased departments	2.2 - 4.7	3.2	2.9 - 5.0	3.6	2.7- 4.8	3.7	____
MERCHANDISING DATA							
Annual stock turn, number of times at retail	1.2 - 2.5	2.1	1.6 - 2.4	2.1	1.4- 2.2	1.8	____
Transportation in charges on goods purchased as a percent of total sales	.4 - 1.3	.7	.6 - 1.1	.9	.6- 1.0	.8	____
Beginning 1985 inventory as a percent of 1984 sales	19.8 -36.1	25.1	16.5 -28.9	21.6	15.8-25.4	20.8	____
Ending 1985 inventory as a percent of 1985 sales	20.4 -39.3	27.6	17.3 -28.1	21.9	16.6-24.7	19.9	____
ALTERATION DATA AND COST							
Net workroom cost, percent of net sales excluding leased departments	1.3 - 2.9	2.1	1.2 - 3.1	2.3	2.3- 3.6	3.1	____
Net alterations cost, percent of men's clothing sales	3.7 - 8.3	5.8	5.1 - 9.7	6.4	5.9-11.9	8.3	____
Income from alterations, percent of net sales excluding leased departments	.3 - .9	.4	.2 - .7	.5	.1- .6	.3	____
PROFIT AND FINANCIAL DATA							
Income from leased departments, percent of leased department sales	NA	NA	13.0- 26.1	14.6	13.3-15.8	14.9	____
Cash discounts earned as % of net sales	.4 - 1.3	.6	.3 - 1.1	.5	.3- .8	.6	____
Net profit on net sales	.7 - 5.8	2.3	.5 - 2.8	1.3	.2- 4.7	3.4	____
Net profit on net worth	1.7 -18.8	7.0	1.8 -20.4	7.1	.6-23.2	10.8	____
Net profit on net working capital	1.7 -20.8	7.7	2.5 -27.8	6.2	.6-21.9	11.0	____

1985 PRODUCTIVITY INFORMATION

BY FIRM VOLUME

	GROUP III FIRMS ANNUAL SALES $500,000 to $999,999 (41 Firms)		GROUP IV FIRMS ANNUAL SALES $1,000,000 to $3,499,999 (36 Firms)		GROUP V FIRMS ANNUAL SALES $3,500,000 and over (29 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
Stock Turnover	1.2- 2.5	2.1	1.6- 2.4	2.1	1.4 - 2.2	1.8	_____
Selling Area in Square Feet	3,180-6,615	5,000	5,650-11,000	7,750	21,994 -37,000	25,883	_____
Sales per square foot of selling area ($)	$117.1-208.0	$137.6	$ 62.6-237.2	$141.0	$207.8 - 363.8	$252.8	_____
Cost of goods per square foot of selling area ($)	$ 65.0-120.2	$ 78.0	$ 75.9- 164.8	$123.9	$100.3 - 187.5	$129.4	_____
Gross Margin per square foot of selling area ($)	$ 47.6- 97.3	$ 59.6	$ 58.5- 141.4	$104.8	$ 88.8 - 163.5	$103.3	_____
Operating Expenses per square foot of selling area ($)	$ 44.4- 83.1	$ 55.2	$ 61.0- 136.3	$100.9	$ 88.4 - 166.0	$100.1	_____
Operating profit per square foot of selling area ($)	$ 1.5- 11.8	$ 3.5	$ (.9)- 5.3	$ 2.1	$ (2.0)- 7.7	$ 4.2	_____
Total area selling and non selling in square feet	4,260-8,010	6,195	8,000-14,000	10,500	28,133 -48,383	35,744	_____
Sales per square foot of total area ($)	$ 92.4-167.3	$107.6	$118.9- 250.2	$157.1	$148.6 - 285.5	$186.2	_____
Cost of goods per square foot to total area ($)	$ 50.8- 97.1	$ 61.2	$ 60.4- 121.2	$ 89.1	$ 76.7 - 143.9	$ 96.1	_____
Gross Margin per square foot of total area ($)	$ 38.3- 76.1	$ 47.2	$ 51.7- 103.1	$ 74.7	$ 60.4 - 141.9	$ 78.0	_____
Operating Expenses per square foot of total area ($)	$ 34.2- 65.5	$ 42.7	$ 48.3- 94.4	$ 75.4	$ 60.1 - 114.5	$ 81.1	_____
Operating profit per square foot of total area ($)	$ 1.4- 8.2	$ 2.5	$(1.0)- 4.5	$ 1.4	$(2.1)- 5.8	$ 3.6	_____

1985 METROPOLITAN (TRADING) AREA SIZE OPERATING EXPERIENCES

By trading area size, firms in metropolitan trading areas of 500,000 to 999,999 produced the only increase in total net sales for 1985 over 1984, with a median increase of 4.4 percent for 1985 following a 2.1 percent increase in 1984. The severest declines were reported in trading areas of 1 million and over which went from a 6.0 percent increase for 1984 to a .4 percent increase for 1985, and firms in areas of 50,000-99,999 dropped from a 6.5 percent increase for 1984 to a 2.2 percent increase in sales for 1985. While all areas reported some increase in sales over 1984 levels, the smallest gain was experienced by firms in areas of 25,000-49,999 with a median increase in sales of .1 percent for 1985 over 1984 sales.

Net profits before Federal income taxes declined in all trading area groups except two. Firms in trading areas of 500,000-999,999 experienced a fractional increase in net profit for a median experience of 1.5 percent of sales in 1985, compared with 1.3 percent in 1984. Firms in trading areas of 100,000-499,999 showed a median net profit of 3.7 percent of sales in 1985, improved from their 1984 performance of 2.4 percent of sales, and above the all firms median of 2.2 percent of sales.

Expenses were up for all trading area groups except firms in areas of 500,000-999,999. The greatest increase was reported by firms in areas of less than 25,000 who reported a median of 36.9 percent of sales in 1985 versus 33.9 percent of sales in 1984. Gross margin fluctuated very little in reports by metropolitan trading area size. The largest increase in gross margin was reported by firms in areas of 100,000 to 499,999 where the median rose 1.7 percentage points to 46.2 percent of sales in 1985.

1985 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

Metropolitan Size	Range of Common Experience	Median
Less than 25,000	2.8-12.4	4.5
25,000 to 49,999	1.7- 4.0	2.0
50,000 to 99,999	6.0-11.3	6.4
100,000 to 499,999	2.9-13.9	6.3
500,000 to 999,999	NA	NA
1,000,000 and over	1.9-28.2	9.7

1985 SALES PER SQUARE FOOT OF SELLING AND TOTAL AREA (in dollars)

	Selling Area		Total Area	
Metropolitan Size	Range of Common Experience	Median	Range of Common Experience	Median
Less than 25,000	$ 83-148	$128	$ 65-117	$ 87
25,000 to 49,999	$103-176	$129	$ 82-142	$ 99
50,000 to 99,999	$119-238	$166	$ 93-168	$133
100,000 to 499,999	$131-308	$206	$113-247	$162
500,000 to 999,999	$173-351	$289	$115-275	$199
1,000,000 and over	$191-414	$265	$136-322	$191

OPERATING EXPERIENCES BY METROPOLITAN (TRADING) AREA SIZE
1985 MERCHANDISING AND PRODUCTIVITY DATA

	POPULATION Less Than 25,000 (29 Firms)		POPULATION 25,000-49,999 (31 Firms)		POPULATION 50,000-99,999 (28 Firms)		POPULATION 100,000-499,999 (33 Firms)		POPULATION 500,000-999,999 (14 Firms)		POPULATION 1,000,000 and over (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA													
Increase in total net sales from last year	(5.5)- 12.1	2.4	(8.4)- 8.0	.1	(4.7)- 10.2	2.2	(3.6)- 12.3	1.2	2.8 - 7.8	4.4	(7.3)- 9.5	.4	_____
Sales per square foot of total store area in dollars	$64.7 -116.9	$87.0	$81.9 -141.7	$ 98.8	$93.4 -168.4	$132.5	$113.2 -247.3	$162.0	$114.9 -274.7	$198.8	$135.5 -321.9	$191.2	_____
SELLING AND ADVERTISING COST													
Selling payroll, percent of net sales excluding leased departments	6.1 - 10.8	8.2	7.9 - 11.5	10.1	7.2 - 10.4	9.5	8.2 - 11.8	9.4	8.4 - 11.7	9.5	8.1 - 11.1	9.7	_____
Advertising percent of net sales excluding leased departments	2.1 - 4.8	3.4	2.6 - 4.9	3.7	2.2 - 4.5	3.3	2.6 - 4.8	3.3	3.3 - 4.9	4.0	1.8 - 4.7	3.2	_____
MERCHANDISING DATA													
Annual stock turn, number of times at retail	1.3 - 2.0	1.6	1.9 - 3.0	2.2	1.7 - 2.8	2.1	1.4 - 2.4	2.0	N/A	N/A	1.0 - 2.6	1.9	_____
Transportation in charges on goods purchased as a percent of total sales	.4 - 1.5	1.0	.5 - 1.4	1.0	.7 - 1.3	1.0	.6 - 1.0	.7	.3 - .9	.6	.4 - .9	.8	_____
Beginning 1985 inventory as a percent of 1984 sales	24.5 - 45.1	29.5	22.0 - 37.6	27.9	17.4 - 24.8	22.2	15.6 - 35.3	20.0	15.7 - 23.0	20.6	18.1 - 30.0	23.6	_____
Ending 1985 inventory as a percent of 1985 sales	24.1 - 48.3	31.0	22.4 - 39.6	28.9	19.5 - 28.5	24.2	18.5 - 31.5	23.3	16.0 - 27.9	22.0	16.6 - 31.2	27.3	_____
ALTERATION DATA AND COST													
Net workroom cost, percent of net sales excluding leased departments	.7 - 2.4	1.7	1.2 - 2.8	1.9	1.3 - 3.6	2.2	1.4 - 3.0	2.1	2.5 - 3.9	3.1	3.0 - 4.2	3.4	_____
Net alterations cost, percent of men's clothing sales	4.9 - 11.1	6.4	3.1 - 7.8	4.9	3.6 - 9.3	6.3	4.2 - 9.0	5.4	5.3 - 8.4	5.6	5.8 - 9.4	7.5	_____
Income from alterations, percent of net sales excluding leased departments	1 - 1.2	.3	.2 - .9	.5	.2 - .5	.3	.3 - 1.4	.6	.2 - .6	.5	.2 - .9	.4	_____
PROFIT AND FINANCIAL DATA													
Income from leased departments, percent of leased department sales	N/A	N/A	13.8- 37.7	2.0	N/A	N/A	12.3 - 23.7	13.7	13.1 - 16.1	15.0	13.3 - 23.5	14.9	_____
Cash discounts earned as % of net sales	.5 - 2.1	.9	.3 - 1.6	.6	.3 - .6	.4	.4 - 1.3	.6	.2 - .5	.4	.3 - .6	.5	_____
Net profit on net sales	(.9)- 5.6	2.6	.8 - 5.8	2.0	.4 - 5.7	2.3	1.2 - 6.2	3.7	(1.1)- 4.5	1.5	(.6)- 4.9	1.5	_____
Net profit on net worth	.3 - 24.8	14.1	1.8 - 19.4	7.3	(7.0)- 14.2	4.8	4.1 - 30.6	22.9	(16.7)- 14.8	7.5	(9.7)- 20.4	4.2	_____
Net profit on net working capital	.3 - 31.4	12.9	1.8 - 19.7	6.2	2.4 - 18.7	8.4	3.9 - 30.1	8.1	(8.0)- 19.7	9.3	(12.3)- 26.2	4.4	_____

1985 COMPOSITE OPERATING STATEMENT BY METROPOLITAN (TRADING) AREA SIZE

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	POPULATION Less Than 25,000 (29 Firms)		POPULATION 25,000-49,999 (31 Firms)		POPULATION 50,000-99,999 (28 Firms)		POPULATION 100,000-499,999 (33 Firms)		POPULATION 500,000-999,999 (14 Firms)		POPULATION 1,000,000 and over (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)													
1. Ending inventory at cost	24.1-48.3	31.0	22.4-39.6	28.9	19.5-28.5	24.2	18.5-31.5	23.3	16.0-27.9	22.0	16.6-31.2	27.3	____%
2. Total cost of merchandise sold	56.9-64.9	60.3	54.9-59.1	56.3	53.8-57.1	55.8	51.4-56.8	54.5	52.4-55.4	53.7	50.7-55.6	52.4	____
3. Gross margin, excluding leased department income and sales	35.1-43.1	39.7	40.9-45.1	43.7	42.9-46.2	44.2	43.3-48.6	45.5	44.6-47.6	46.3	44.5-49.3	47.7	____
4. Income from leased departments	NA	NA	.7- 1.9	1.3	NA	NA	.7- 8.9	2.3	.5- 1.2	1.0	.7- 2.7	1.0	____
5. Gross margin, including income from leased departments, as a percent of total net sales	35.1-43.2	39.7	41.2-45.1	43.7	43.3-46.5	44.2	43.6-49.2	46.2	44.6-48.2	46.5	44.8-49.7	47.7	____
Expense Div. No.*													
6. 00 Net Alteration Cost													
a. Alterations payroll	.9- 1.8	1.9	1.7- 3.2	2.2	1.3- 2.5	2.0	1.6- 3.1	2.3	2.9- 4.6	3.6	3.1- 4.7	3.9	____
b. All other workroom expenses	.2- 2.3	.9	.1- .5	.2	.1- 1.6	.2	.1- .5	.2	.1- .2	.2	.1- .3	.1	____
c. Less: Alteration Income	.1- 1.2	.3	.2- .9	.5	.2- .5	.3	.3- 1.4	.6	.2- .6	.5	.2- .9	.4	____
d. Net Alterations Costs (line a plus line b, minus line c)	.7- 2.4	1.7	1.2- 2.8	1.9	1.3- 3.6	2.2	1.4- 3.0	2.1	2.5- 3.9	3.1	3.0- 4.2	3.4	____
7. 01 Payroll (total)	12.1-27.4	18.6	14.7-22.6	18.0	12.2-22.0	18.8	13.2-23.5	17.7	13.8-26.3	19.2	13.3-25.2	18.9	____
a. Payroll of owners and officers	4.7-12.3	8.0	5.2- 7.8	5.7	3.4- 8.2	6.6	3.1- 6.1	5.2	3.2- 8.1	5.1	2.9- 8.5	5.7	____
b. Selling payroll (includes commissions & "spiffs")	6.1-10.8	8.2	7.9-11.5	10.1	7.2-10.4	9.5	8.2-11.8	9.4	8.4-11.7	9.5	8.1-11.1	9.7	____
c. Non-selling payroll (excludes workroom & advertising payroll)	1.3- 4.3	2.4	1.6- 3.4	2.2	1.6- 3.3	2.7	1.9- 5.6	3.1	2.2- 6.6	4.6	2.3- 5.6	3.6	____
8. 03 Advertising	2.1- 4.8	3.4	2.6- 4.9	3.7	2.2- 4.5	3.3	2.6- 4.8	3.3	3.3- 4.9	4.0	1.8- 4.7	3.2	____
9. 04 Taxes (total)	1.4- 2.3	1.7	1.5- 2.8	1.9	1.7- 2.3	2.0	1.6- 2.7	2.0	2.0- 2.6	2.3	1.8- 2.5	2.2	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.1- .8	.5	.1- .8	.4	.2- .8	.5	.1- .7	.4	.3- 1.0	.6	.1- .7	.4	____
b. Social security and unemployment taxes	1.1- 1.9	1.4	1.4- 2.1	1.8	1.4- 1.9	1.7	1.3- 1.9	1.7	1.6- 2.0	1.8	1.7- 2.2	2.0	____

10. 06	Supplies	1.9- 4.2	2.8	1.9- 4.1	2.9	1.9- 4.1	2.7	1.5- 4.0	2.4	1.3- 4.1	2.3	1.4- 3.0	2.2	
	a. Wrapping and packing supplies	.7- 1.6	1.0	.6- 1.5	1.0	.6- 1.3	.9	.6- 1.2	.9	.5- 1.4	.7	.5- .9	.7	
	b. Other supplies (cleaning, stationery)	.2- .9	.4	.3- .7	.5	.3- 1.0	.5	.1- 1.1	.4	.3- .6	.3	.2- .6	.3	
	c. Utilities (heat, light, water, sewer, etc.)	1.0- 1.8	1.4	1.0- 1.9	1.3	1.0- 1.7	1.3	.7- 1.7	1.1	.6- 2.2	1.2	.7- 1.5	1.2	
11. 07	Services Purchased (Total)	NA	1.0	NA	3.9	NA	2.1	NA	2.6	1.1- 4.5	3.2	NA	2.7	
	a. Accounts receivable factoring charges	NA	NA	NA	NA	NA	NA	NA	NA	.2- 2.1	1.6	NA	NA	
	b. Data processing/service bureau charges	.3- .8	.4	.5- 1.1	.8	.4- .7	.7	.3- 1.1	.6	.1- .8	.5	.2- .9	.5	
	c. Credit card service fees	.1- .6	.3	.2- .6	.4	.3- .8	.6	.4- .8	.5	.6- .9	.7	.6- 1.4	1.0	
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.2- .8	.2	.2- .9	.5	.3- 1.3	.5	.2- .7	.4	.2- .7	.4	.3- 1.5	.6	
12. 08	Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.3- 1.0	.6	.4- 1.0	.6	.3- 1.2	.8	.2- 1.6	.7	.2- .6	.4	.3- 1.0	.6	
13. 09	Traveling	.3- 1.1	.5	.3- .8	.5	.4- 1.2	.7	.3- 1.0	.6	.3- 1.1	.4	.3- .7	.5	
14. 10	Communications	.3- .6	.4	.4- .8	.5	.4- .9	.6	.5- .9	.7	.4- .9	.6	.5- .8	.6	
15. 11	Pensions	.5- 1.3	.9	.3- 1.9	.5	.3- 1.3	.6	.3- 3.8	.9	.4- 2.6	.8	.4- 2.5	1.1	
16. 12	Insurance (total)	1.2- 2.3	1.6	1.1- 2.9	2.0	1.3- 2.5	1.9	.9- 2.1	1.3	1.2- 2.4	1.6	1.2- 3.2	2.0	
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 1.2	1.0	.6- 1.8	1.3	.8- 1.6	1.2	.6- 1.2	.9	.9- 1.6	1.2	.9- 2.4	1.5	
	b. All other insurance premiums	.5- 1.1	.7	.5- 1.0	.7	.5- .9	.7	.3- .9	.5	.3- .8	.5	.3- .8	.5	
17. 13	Depreciation (total)	.7- 1.5	1.1	.4- 1.3	.8	.5- 1.8	1.0	.8- 2.1	1.2	.7- 1.4	1.1	.6- 2.1	1.4	
18. 14	Professional services	.3- .7	.4	.3- .9	.5	.2- .6	.3	.3- .7	.4	.3- .7	.5	.3- 1.2	.5	
19. 15	Donations	.1- .3	.2	.1- .2	.1	.1- .3	.1	.1- .2	.1	.1- .2	.2	0- .2	.1	
20. 16	Bad Debts	0- .2	.1	0- .4	.2	.1- .4	.2	.1- .5	.3	.2- .4	.2	.1- .7	.3	
21. 17	Equipment costs	.3- .8	.4	.2- .7	.4	.3- 1.1	.6	.2- .6	.4	.2- .9	.5	.4- 1.0	.5	
22. 20	Real property rentals	1.8- 4.0	3.1	2.1- 5.1	3.7	2.4- 5.9	4.4	3.1- 4.9	4.0	3.7- 6.0	4.3	5.1- 6.4	5.8	
23.	Total expenses	33.0-40.3	36.9	35.7-43.4	40.0	39.6-44.8	42.7	37.0-45.7	42.5	42.3-47.8	46.1	44.7-49.7	47.0	
NET GAIN (Percent of total net sales, except as noted.)														
24.	Operating profit, including income from leased departments	1.2- 6.1	3.5	.4- 6.5	2.6	(.3)- 5.0	2.1	1.8- 6.7	3.8	(.3)- 2.3	1.2	(2.4)- 3.2	(.2)	
25.	a. Interest income	.3- 1.3	.5	.3- 1.4	.7	1.1- 2.2	1.4	.7- 2.1	.9	.8- 2.7	1.6	.6- 2.2	1.0	
	b. Net other income	.1- 2.2	.2	.2- .9	.6	.2- 1.7	.8	.2- 1.7	.5	.1- .7	.2	.4-5.0	.6	
	c. Interest expenses	.7- 3.1	1.3	.7- 2.2	1.4	.8- 3.0	1.5	.5- 2.6	1.4	.6- 1.2	1.0	.3- 2.2	.8	
	d. Net other expenses	NA	NA	.2- 3.2	.5	0- 5.6	.3	.1- 2.1	.3	NA	NA	.1- .5	.3	
26.	Net profit, before Federal income taxes	(.9)- 5.6	2.6	.8- 5.8	2.0	.4- 5.7	2.3	1.2- 6.2	3.7	(1.1)- 4.5	1.5	(.6)- 4.9	1.5	

1985 GEOGRAPHIC OPERATING EXPERIENCES

Firms in the Northeast continued to outpace the rest of the country in 1985, posting a 6.8 percent gain in net sales over 1984. This followed a 6.7 percent gain for 1984 sales over 1983 figures. Gross margin for Northeast firms rose 1.3 percentage points to 44.4 percent of sales in 1985 and expenses rose 2.9 percentage points to 43.2 percent of sales for the year. Net profits before income taxes remained steady at 2.9 percent of sales in 1985, compared with 2.8 percent of sales in 1984.

Sales increases of .3 to 2.9 percent were reported in other regions of the country, in each case a lower increase for 1985 compared with gains in 1984. Firms in the West were the only exception, reporting a 2.9 percent increase in sales for 1985, compared with a 2.6 percent increase in 1984.

Lower net profits before taxes were reported by all other regions of the country, with half coming in above the all firms median of 2.2 percent of sales and half reporting medians lower than 2.2 percent of sales. A notable exception was the Southwest, with a median net profit before taxes of 4.3 percent of sales, 3.0 percentage points higher than their 1984 experience of 1.3 percent of sales.

Firms in the Southwest also incurred higher expenses in 1985, moving up to 45.0 percent of sales, compared with 41.9 percent in 1984. In the Southeast, total expenses rose to a median 44.5 percent of sales in 1985, compared with 40.4 percent in 1984. Firms in the West were the exception, reporting total expenses down to 42.1 percent of sales in 1985, compared with 44.3 percent of sales in 1984.

1985 COOPERATIVE ADVERTISING FUNDS RECEIVED AS A PERCENTAGE OF GROSS PUBLICITY COSTS

Geographic Area	Range of Common Experience	Median
Northeast	3.1- 9.4	4.9
Southeast	1.6-13.9	3.8
North Central	1.9-28.2	6.0
Central	2.4-14.6	3.9
Southwest	NA	NA
West	NA	NA

1985 SALES PER SQUARE FOOT OF SELLING AND TOTAL STORE AREA

(In Dollars)

	Selling Area		Total Area	
Geographic Area	Range of Common Experience	Median	Range of Common Experience	Median
Northeast	$153-329	$230	$117-236	$154
Southeast	$126-261	$163	$103-177	$131
North Central	$107-222	$127	$ 80-172	$ 96
Central	$100-249	$127	$ 76-177	$108
Southwest	$213-464	$295	$175-338	$208
West	$130-283	$160	$106-199	$151

OPERATING EXPERIENCES BY METROPOLITAN (TRADING) AREA SIZE
1985 MERCHANDISING AND PRODUCTIVITY DATA

	NORTHEAST Boston, Philadelphia, New York F.R. Dist. (24 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dist. (31 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dist. (39 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dist. (32 Firms)		SOUTHWEST Dallas F.R. Dist. (9 Firms)		WEST San Francisco F.R. Dist. (21 Firms)		
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	YOUR FIRM
SALES DATA													
Increase in total net sales from last year	(.8)- 11.6	6.8	(4.6)- 5.5	1.2	(6.8)- 10.6	.7	(5.7)- 12.9	.3	(3.7)- 6.3	2.2	(4.4)- 9.6	2.9	___%
Sales per square foot of total store area in dollars	$116.9-236.4	$154.1	$102.9-176.8	$131.3	$80.1-172.1	$96.3	$75.6-176.5	$107.5	$175.0-338.4	$207.7	$105.8-199.3	$150.6	____
SELLING AND ADVERTISING COST													
Selling payroll, percent of net sales excluding leased departments	7.3- 10.7	8.4	9.0- 12.4	10.2	8.9- 11.4	10.1	6.8- 10.4	8.9	7.1- 8.9	8.3	8.2- 11.9	9.8	____
Advertising, percent of net sales excluding leased departments	2.9- 5.1	3.7	2.5- 4.8	3.4	2.0- 4.1	3.2	2.4- 4.9	3.8	3.2- 4.8	4.3	2.4- 4.6	3.0	____
MERCHANDISING DATA													
Annual stock turn, number of times at retail	1.5- 2.7	1.8	1.1- 2.4	1.7	1.1- 2.3	1.9	1.8- 2.8	2.1	1.4- 2.2	1.8	1.6- 2.5	2.4	____
Transportation in charges on goods purchased as a percent of net sales	.2- 1.0	.5	.4- .8	.6	.7- 1.3	1.0	.7- 1.5	1.1	.7- 1.1	.9	.6- 1.4	.9	____
Beginning 1985 inventory as a percent of 1984 sales	17.9- 25.1	22.4	18.6- 34.1	25.1	22.0- 38.5	29.3	16.8-29.2	21.2	13.2- 26.8	16.8	21.6- 41.1	27.8	____
Ending 1985 inventory as a percent of 1985 sales	17.0- 28.2	23.1	18.7- 33.2	24.3	22.7- 40.6	30.1	19.4- 32.2	24.2	16.0- 29.7	19.5	23.0- 39.4	29.8	____
ALTERATION DATA AND COST													
Net workroom cost, percent of net sales excluding leased departments	1.7- 3.8	2.5	1.3- 3.1	2.4	1.3- 3.3	2.2	.8- 3.2	2.1	2.2- 3.5	2.6	1.1- 3.2	2.4	____
Net alterations cost, percent of men's clothing sales	4.9- 13.1	8.5	3.9- 7.7	5.2	3.1- 7.5	6.0	5.0- 8.8	6.4	4.8- 9.1	7.1	3.7- 7.7	6.0	____
Income from alterations, percent of net sales excluding leased departments	.1- .3	.2	.1- .7	.3	.3- .8	.5	.3- .9	.6	.2- 1.3	.6	.4- 1.2	.6	____
PROFIT AND FINANCIAL DATA													
Income from leased departments, percent of leased department sales	13.3- 25.7	13.5	11.3- 26.8	13.8	NA	NA	7.9- 15.0	13.6	NA	NA	NA	NA	____
Cash discounts earned	.2- 1.3	.6	.3- .9	.5	.3- .9	.5	.5- .9	.6	.2- 1.0	.4	.3- .8	.5	____
Net profit on net sales	1.0- 5.0	2.9	.1- 4.7	1.8	.8- 7.3	2.4	(1.1)- 5.0	2.1	2.5- 5.8	4.3	(1.2)- 3.1	1.4	____
Net profit on net worth	4.3- 26.7	16.6	.4- 22.5	6.9	2.9- 20.4	9.0	(6.9)- 23.4	9.9	6.0- 43.2	15.4	(6.0)- 19.2	5.2	____
Net profit on net working capital	4.4- 30.2	14.9	.4- 11.5	6.2	2.3- 15.4	7.7	1.7- 28.5	13.0	7.0- 39.1	21.2	(6.3)- 14.0	5.5	____

1985 COMPOSITE OPERATING STATEMENT BY GEOGRAPHIC (Federal Reserve District) AREA

PLEASE NOTE THAT NET WORKROOM COST IS NOW TREATED AS A SEPARATE EXPENSE CENTER. TAKE THIS INTO CONSIDERATION WHEN COMPARING GROSS MARGIN AND TOTAL EXPENSES TO LAST YEARS DATA PRIOR TO 1980. (*EXPENSE DIVISION NUMBERS AND DEFINITIONS ARE IN ACCORDANCE WITH MRA'S FINANCIAL & OPERATIONS GROUP "MENSWEAR BASIC MANAGEMENT ACCOUNTING MANUAL".)	NORTHEAST Boston, Philadelphia, New York, F.R. Dists. (24 Firms)		SOUTHEAST Richmond, Atlanta F.R. Dists. (31 Firms)		NORTH CENTRAL Cleveland, Chicago F.R. Dists. (39 Firms)		CENTRAL St. Louis, Minneapolis, Kansas City F.R. Dists. (32 Firms)		SOUTHWEST Dallas F.R. Dist. (9 Firms)		WEST San Francisco F.R. Dist. (21 Firms)		YOUR FIRM
	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	Range of Common Experience	Median Firm	
COST OF GOODS SOLD (Percent of net sales, excluding leased departments, except as noted.)													
1. Ending inventory at cost	17.0-28.2	23.1	18.7-33.2	24.3	22.7-40.6	30.1	19.4-32.2	24.2	16.0-29.7	19.5	23.0-39.4	29.8	___%
2. Total cost of merchandise sold	53.2-60.0	55.6	53.8-57.8	55.2	52.6-60.0	55.5	54.6-59.6	56.7	51.1-58.7	52.4	51.9-58.9	55.9	____
3. Gross margin, excluding leased department income and sales	40.0-46.9	44.4	42.2-46.2	44.8	40.0-47.4	44.5	40.4-45.4	43.3	41.3-48.9	47.7	41.1-48.1	44.1	____
4. Income from leased departments	.6- 2.3	1.1	1.1- 4.3	2.0	NA	NA	.7- 2.1	1.4	NA	NA	NA	NA	____
5. Gross margin, including income from leased departments, as a percent of total net sales	40.0-47.3	44.4	43.5-47.1	45.2	40.0-47.4	44.5	41.3-45.4	43.4	41.3-49.3	48.6	41.1-48.1	44.1	____
Expense Div. No.*													
6. 00 Net Alteration Cost													
a. Alterations payroll	1.6- 3.2	1.9	2.0- 3.8	2.6	1.8- 3.8	2.7	1.3- 4.2	2.9	2.8- 4.4	3.0	1.3- 3.7	2.6	____
b. All other workroom expenses	.1- 1.2	.4	.1- .4	.2	.1- .3	.2	.1- 1.5	.2	.1- .4	.1	.1- .9	.2	____
c. Less: Alteration Income	.1- .3	.2	.1- .7	.3	.3- .8	.5	.3- .9	.6	.2- 1.3	.6	.4- 1.2	.6	____
d. Net Alterations Costs (line a plus line b, minus line c)	1.7- 3.8	2.5	1.3- 3.1	2.4	1.3- 3.3	2.2	.8- 3.2	2.1	2.2- 3.5	2.6	1.1- 3.2	2.4	____
7. 01 Payroll (total)	11.2-23.2	16.2	14.8-24.6	18.9	15.5-23.4	19.3	12.9-24.5	19.1	13.6-22.6	18.1	14.1-24.5	19.5	____
a. Payroll of owners and officers	2.1- 7.8	4.7	3.7- 6.4	5.5	4.9- 8.2	6.7	4.2- 9.9	7.2	3.0- 6.2	3.9	4.9- 9.2	7.5	____
b. Selling payroll (includes commissions & "spiffs")	7.3-10.7	8.4	9.0-12.4	10.2	9.0-11.4	10.1	6.8-10.4	8.9	7.1- 8.9	8.3	8.2-11.9	9.8	____
c. Non-selling payroll (excludes workroom & advertising payroll)	1.7- 4.8	3.1	2.2- 5.8	3.2	1.6- 3.9	2.6	1.8- 4.2	3.1	3.5- 7.5	6.0	1.0- 3.5	2.2	____
8. 03 Advertising	2.9- 5.1	3.7	2.5- 4.8	3.4	2.0- 4.1	3.2	2.4- 4.9	3.8	3.2- 4.8	4.3	2.4- 4.6	3.0	____
9. 04 Taxes (total)	1.5- 2.3	1.9	1.8- 2.8	2.2	1.7- 2.5	2.0	1.6- 2.3	1.9	1.7- 2.5	2.1	1.5- 2.7	2.3	____
a. All state and local taxes (including licenses) with the exception of payroll taxes and Federal income taxes	.2- .8	.4	.5- .9	.5	.1- .8	.3	.2- 1.3	.4	.3- .6	.4	.1- .7	.3	____
b. Social security and unemployment taxes	1.1- 1.8	1.5	1.4- 2.1	1.9	1.5- 2.1	1.9	1.3- 1.8	1.7	1.3- 2.0	1.8	1.4- 2.3	1.8	____

10. 06	Supplies	1.6- 4.1	2.5	1.8- 3.6	2.5	1.9- 3.7	2.7	1.7- 3.9	2.6	1.3- 4.3	2.4	1.5- 3.9	2.4	____
	a. Wrapping and packing supplies	.4- 1.3	.8	.8- 1.3	1.0	.6- 1.1	.8	.6- 1.4	.8	.3- 1.7	.9	.6- 1.5	.9	____
	b. Other supplies (cleaning, stationery)	.3- 1.0	.6	.2- .7	.3	.2- .7	.4	.2- 1.0	.4	.4- .8	.6	.1- .8	.3	____
	c. Utilities (heat, light, water, sewer, etc.)	.8- 1.8	1.1	.9- 1.7	1.1	1.1- 2.0	1.5	.9- 1.6	1.3	.6- 1.8	.9	.8- 1.7	1.2	____
11. 07	Services Purchased (Total)	NA	2.7	1.4- 4.7	2.9	NA	2.6	NA	1.7	NA	1.9	NA	2.1	____
	a. Accounts receivable factoring * charges	NA	NA	.5- 2.0	1.1	NA	NA	NA	NA	NA	NA	NA	NA	____
	b. Data processing/service bureau charges	.3- .7	.4	.3- 1.0	.8	.4- .8	.7	.1- .7	.6	.2- .8	.7	.5- 1.3	1.0	____
	c. Credit card service fees	.5- 1.0	.6	.4- .7	.6	.2- .7	.4	.2- .6	.5	.4- 1.1	.8	.3- 1.0	.7	____
	d. Cleaning service, delivery, alarm service, attorney fees for account collection, buying office, etc.	.2- 1.0	.5	.2- .9	.5	.2- .7	.4	.2- 1.0	.4	.3- 1.4	.5	.1- 1.2	.3	____
12. 08	Unclassified (cash shortages, want ads, dues, subscriptions, employee prizes, etc.)	.3- 1.1	.6	.3- 1.0	.7	.3- 1.0	.6	.3- 1.0	.6	.2- 1.1	.3	.5- 1.3	.7	____
13. 09	Traveling	.3- 1.2	.6	.4- 1.4	.6	.3- .6	.5	.3- 1.4	.6	.3- 1.0	.7	.3- .9	.5	____
14. 10	Communications	.5- .8	.5	.5- .9	.7	.4- .7	.5	.3- .8	.5	.6- .9	.6	.4- .9	.6	____
15. 11	Pensions	.5- 2.1	1.2	.3- 3.5	.6	.2- 1.4	.5	.4- 1.0	.6	.3- 1.6	.3	1.0- 3.0	1.9	____
16. 12	Insurance (total)	1.1- 2.6	1.6	1.1- 2.5	1.6	1.2- 2.9	1.9	1.2- 2.4	1.7	1.1- 2.2	1.4	1.2- 2.6	1.8	____
	a. Workmen's compensation insurance; sickness, accident, group medical, group hospital and life insurance premiums	.7- 1.7	.9	.7- 1.6	1.1	.8- 2.1	1.3	.8- 1.4	1.1	.8- 1.5	.9	.7- 1.6	1.1	____
	b. All other insurance premiums	.4- .9	.7	.4- .9	.5	.4- .9	.6	.4- 1.0	.6	.3- .7	.6	.4- 1.0	.7	____
17. 13	Depreciation (total)	.8- 1.7	1.3	.9- 2.0	1.5	.6- 1.5	.8	.7- 1.6	1.2	1.0- 2.6	1.6	.5- 1.1	.7	____
18. 14	Professional services	.2- .8	.5	.3- .6	.4	.2- .7	.5	.2- .8	.4	.4- 1.1	.7	.2- .8	.4	____
19. 15	Donations	.1- .2	.1	.1- .3	.1	.1- .2	.1	.1- .3	.2	1- .3	.1	.1- .2	.2	____
20. 16	Bad Debts	.1- .3	.2	.2- .7	.3	0- .3	.2	0- .3	.2	.3- .4	.3	.2- .6	.3	____
21. 17	Equipment costs	.2- 1.0	.5	.4- .8	.5	.2- .9	.4	.3- 1.1	.5	.2- .7	.3	.4- .8	.5	____
22. 20	Real property rentals	3.2- 5.4	3.8	2.9- 4.7	3.9	1.9- 5.2	4.0	2.7- 5.7	4.4	3.7- 6.5	4.6	3.1- 6.1	5.0	____
23.	Total expenses	37.2-46.6	43.2	38.8-46.4	44.5	36.8-44.8	41.2	35.6-43.6	40.6	37.9-50.7	45.0	36.6-46.4	42.1	____
NET GAIN (Percent of total net sales, except as noted.)														
24.	Operating profit, including income from leased departments	.7- 5.5	3.2	.1- 3.5	1.8	.7- 6.1	3.0	(.3)- 5.9	3.1	(1.6)- 7.7	2.3	(.9)- 4.5	1.6	____
25.	a. Interest income	.1- 1.5	1.0	.7- 2.8	1.2	.4- 1.6	.9	.3- 1.7	.6	1.4- 2.4	2.2	.6- 2.6	1.1	____
	b. Net other income	.2- 1.0	.4	.5- 1.7	.9	.3- 1.9	.8	.1- .9	.2	.1- 3.9	.3	.1- .8	.6	____
	c. Interest expenses	.3- 2.6	1.1	1.0- 2.2	1.4	.3- 1.9	1.0	.5- 3.5	2.3	.7- 2.2	.9	.6- 2.8	1.3	____
	d. Net other expenses	.2- .6	.3	.2- 1.4	.4	0- 5.8	.3	.1- 3.4	.4	NA	NA	.1- 1.3	.3	____
26.	Net profit, before Federal income taxes	1.0- 5.0	2.9	.1- 4.7	1.8	.8- 7.3	2.4	(1.1)- 5.0	2.1	2.5- 5.8	4.3	(1.2)- 3.1	1.4	____

MERCHANDISING INFORMATION BY GEOGRAPHIC AREA

1985 DISTRIBUTION OF SALES BY MAJOR MERCHANDISE CLASSIFICATIONS

	MEN'S CLOTHING SALES	MEN'S SPORTSWEAR SALES	MEN'S FURNISHINGS SALES
NORTHEAST			
Range	20.8-42.9	15.4-37.2	11.7-19.8
Median	30.5	27.1	16.1
SOUTHEAST			
Range	29.7-59.2	9.4-18.3	12.6-22.1
Median	47.1	14.3	17.9
NORTH CENTRAL			
Range	28.0-56.4	18.2-27.2	11.8-22.6
Median	38.2	22.6	16.8
CENTRAL			
Range	36.5-53.6	10.5-29.0	12.9-21.0
Median	47.1	19.4	17.8
SOUTHWEST			
Range	13.0-55.8	10.7-19.9	10.0-23.0
Median	46.2	16.4	20.7
WEST			
Range	31.3-60.2	18.2-44.9	15.0-23.3
Median	41.5	28.5	17.3

1985 MARKDOWNS AS A PERCENTAGE OF TOTAL MARKDOWNS FOR THE THREE MAJOR MEN'S WEAR MERCHANDISE CLASSIFICATIONS

	MEN'S CLOTHING MARKDOWNS	MEN'S SPORTSWEAR MARKDOWNS	MEN'S FURNISHINGS MARKDOWNS
NORTHEAST			
Range	8.5-45.9	12.5-29.1	2.4-7.5
Median	10.4	23.8	4.5
SOUTHEAST			
Range	30.5-67.9	9.5-23.6	8.0-11.5
Median	51.5	16.1	9.7
NORTH CENTRAL			
Range	20.1-50.1	17.2-39.1	5.6-12.7
Median	33.2	25.0	7.4
CENTRAL			
Range	35.3-54.8	7.3-37.8	6.4-12.5
Median	50.0	19.8	10.5
SOUTHWEST			
Range	27.5-47.8	12.3-19.1	12.5-19.8
Median	36.5	12.8	15.3
WEST			
Range	30.2-66.0	16.3-40.0	7.3-13.3
Median	46.6	27.0	10.3

Geographic Areas by Federal Reserve Districts

Map Explanation:

Area designations are based on combinations of Federal Reserve Districts.

Key

Area	Federal Reserve District
Northeast	Boston, Philadelphia, New York
Southeast	Richmond, Atlanta
Central	St. Louis, Minneapolis, Kansas City
North Central	Cleveland, Chicago
Southwest	Dallas
West	San Francisco

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BASIC MANAGEMENT ACCOUNTING MANUAL FOR THE MENSWEAR SPECIALTY STORE, EDITION IV — Increase your ability to utilize sound accounting practices in merchandise control and cash flow. This manual provides a detailed look at the procedures, options, and forms that help control dollars. Published in 1982. **Item #MRA44 — $2[illegible].00**

RETAILER'S HANDBOOK OF FEDERAL CREDIT REGULATIONS — Avoid costly violations of federal credit regulations. This simple handbook, by attorney James M. Goldberg, includes sample forms and disclosure statements for store credit practices. Published in 1982. **Item #MRA45 — $7.50**

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1987, 1988 and 1989 4-5-4 CALENDAR

1987

February

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

March

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31	1	2	3	4

April

5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

May

S	M	T	W	T	F	S
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

June

31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	1	2	3	4

July

5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

August

S	M	T	W	T	F	S
2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

September

30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	1	2	3

October

4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

November

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

December

29	30	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

January 1988

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

1988

February

S	M	T	W	T	F	S
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

March

28	29	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31	1	2

April

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

May

S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

June

29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	1	2

July

3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

August

S	M	T	W	T	F	S
31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

September

28	29	30	31	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

October

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

November

S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26

December

27	28	29	30	1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	31

January 1989

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

1989

February

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25

March

26	27	28	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	1

April

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

May

S	M	T	W	T	F	S
30	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

June

28	29	30	31	1	2	3
14	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29	30	1

July

2	3	4	5	6	7	8
9	10	11	12	13	14	15
16	17	18	19	20	21	22
23	24	25	26	27	28	29

August

S	M	T	W	T	F	S
30	31	1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26

September

27	28	29	30	31	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October

1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28

November

S	M	T	W	T	F	S
29	30	31	1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25

December

26	27	28	29	30	1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

January 1990

31	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27

These blank pages are provided for your
notes and computations.

MENSWEAR RETAILERS OF AMERICA

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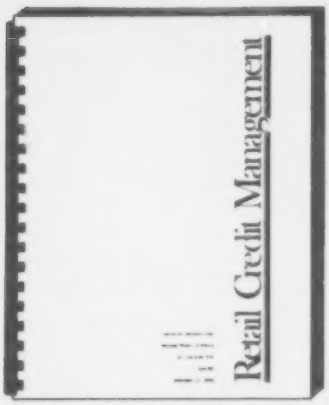
Is In-Store Credit Right For You ?



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